



# SAN FRANCISCO PLANNING DEPARTMENT

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April 29, 2013

Ms. Angela Calvillo, Clerk  
Honorable Supervisor Tang  
Board of Supervisors  
City and County of San Francisco  
City Hall, Room 244  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102

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**Re: Transmittal of Planning Department Case Number 2013.0464T  
Waiving Certain Fees for Small Business Month  
Board File No. 13-0284  
Planning Commission Recommendation: Approval with Modifications**

Dear Ms. Calvillo and Supervisor Tang,

On April 25, 2013, the Planning Commission conducted a duly noticed public hearing at regularly scheduled meetings to consider the proposed Ordinance that would recognize Small Business Month in May 2013 and amend the San Francisco Planning Code, and the San Francisco Building Code to waive fees for the month of May for certain façade improvements introduced by Supervisor Tang. At the hearing, the Planning Commission recommended approval with modifications.

The proposed modifications include:

- Limit the fee waiver to permits for awning and permits for signs on awnings only.

The proposed amendments to the Planning Code has been reviewed and found exempt from CEQA per Section 15273, Rates, Tolls, Fares and Charges.

Supervisor, please advise the City Attorney at your earliest convenience if you wish to incorporate the changes recommended by the Commissions.

Please find attached documents relating to the actions of the Commission. If you have any questions or require further information please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "AM - Rodgers", written over a horizontal line.

AnMarie Rodgers  
Manager of Legislative Affairs

cc:

John D. Malamut, Deputy City Attorney  
Dyanna Quizon, Aide to Supervisor Tang  
Alisa Miller, Office of the Clerk of the Board

Attachments

Planning Commission Resolution  
Planning Department Executive Summary



# SAN FRANCISCO PLANNING DEPARTMENT

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## Planning Commission Resolution No. 18851

HEARING DATE: APRIL 25, 2013

*Project Name:* **Waiving Certain Fees for Small Business Month**  
*Case Number:* 2013.0464T [Board File No. 13-0284]  
*Initiated by:* Supervisor Tang / Introduced March 26, 2013  
*Staff Contact:* Aaron Starr, Legislative Affairs  
aaron.starr@sfgov.org. 415.558.6362  
*Reviewed by:* AnMarie Rodgers, Manager Legislative Affairs  
anmarie.rodgers@sfgov.org, 415.558.6395

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**RECOMMENDING THAT THE BOARD OF SUPERVISORS PASS AN ORDINANCE THAT WOULD 1) RECOGNIZE SMALL BUSINESS MONTH IN MAY 2013; 2) AMEND THE SAN FRANCISCO PLANNING CODE, AND THE SAN FRANCISCO BUILDING CODE TO WAIVE FEES FOR THE MONTH OF MAY FOR CERTAIN FAÇADE IMPROVEMENTS; AND 3) MAKE 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**

### PREAMBLE

Whereas, this is the eighth year in a row that the City of San Francisco has celebrated Small Business Week during the month of May; and

Whereas, small businesses are the backbone of the American economy, representing 99.7 percent of all employer firms; and

Whereas, on April 25, 2013 the San Francisco Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance; and

Whereas, the proposed Ordinance have been found exempt from the California Environmental Quality Act per Section 15273, Rates, Tolls, Fares and Charges; and

Whereas, the Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented by Department staff, and other interested parties; and

Whereas, the all pertinent documents may be found in the files of the Department, as the custodian of records, at 1650 Mission Street, Suite 400, San Francisco; and

Whereas, the Commission has reviewed the proposed Ordinance; and

**MOVED**, that the Commission hereby recommends that the Board of Supervisors recommend *approval with modification* of the proposed Ordinance and adopts the Draft Resolution to that effect.

**The Commission recommended modification would be to limit the fee waiver to permits for awning and permits for signs on awnings only.**

## FINDINGS

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

1. As amended, this Ordinance would provide an incentive to improve business facades at what is projected to be minimal cost to the City. Therefore, we recommend support of this proposed Ordinance as a gesture of goodwill during Small Business Month 2013.
2. **General Plan Compliance.** The proposed Ordinance is, on balance, consistent with the following Objectives and Policies of the General Plan:

## COMMERCE AND INDUSTRY ELEMENT

### **POLICY 2.3**

**Maintain a favorable social and cultural climate in the city in order to enhance its attractiveness as a firm location.**

### **POLICY 4.1**

**Maintain and enhance a favorable business climate in the city.**

### **POLICY 6.2**

**Promote economically vital neighborhood commercial districts which foster small business enterprises and entrepreneurship and which are responsive to economic and technological innovation in the marketplace and society.**

*The proposed Ordinance would provide a gesture of goodwill for Small Business Month 2013.*

## URBAN DESIGN ELEMENT

### **POLICY 4.7**

**Encourage and assist in voluntary programs for neighborhood improvement.**

*The proposed Ordinance would assist building owners in voluntary façade upgrades.*

1. The proposed replacement project is generally consistent with the eight General Plan priority policies set forth in Section 101.1 in that:

- A) The existing neighborhood-serving retail uses will be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses will be enhanced:  
*The proposed Ordinance will assist neighborhood-serving retail uses in renovation of facades.*
- B) The existing housing and neighborhood character will be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods:  
*The proposed Ordinance will have no adverse impact on housing and will encourage improvements to neighborhood commercial corridors.*
- C) The City's supply of affordable housing will be preserved and enhanced:  
*The proposed Ordinance will have no adverse effects on the City's supply of affordable housing.*
- D) The commuter traffic will not impede MUNI transit service or overburden our streets or neighborhood parking:  
*The proposed Ordinance will not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking.*
- E) A diverse economic base will be maintained by protecting our industrial and service sectors from displacement due to commercial office development. And future opportunities for resident employment and ownership in these sectors will be enhanced:  
*The proposed Ordinance would have no negative effects on industry.*
- F) The City will achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.  
*The proposed Ordinance would not affect the preparedness against injury and loss of life in an earthquake is unaffected.*
- G) That landmark and historic buildings will be preserved:  
*The proposed Ordinance would not adversely affect landmark and historic buildings as it would encourage renovations and would not exempt any project from historic resource or other required review.*
- H) Parks and open space and their access to sunlight and vistas will be protected from development:  
*The proposed Ordinance would not adversely affect parks and open spaces in terms their access to sunlight and vistas.*

I hereby certify that the Planning Commission ADOPTED the foregoing Resolution on April 25, 2013

Jonas P Ionin  
Acting Commission Secretary

AYES: Commissioners Antonini, Fong, Hillis, Moore, and Wu

NAYS: none

ABSENT: Commissioners Borden and Sugaya

ADOPTED: April 25, 2013



# SAN FRANCISCO PLANNING DEPARTMENT

## Executive Summary Planning Code Text Change

HEARING DATE: APRIL 25, 2013

*Project Name:* **Waiving Certain Fees for Small Business Month**  
*Case Number:* 2013.0464T [Board File No. 13-0284]  
*Initiated by:* Supervisor Tang / Introduced March 26, 2013  
*Staff Contact:* Aaron Starr, Legislative Affairs  
 aaron.starr@sfgov.org. 415.558.6362  
*Reviewed by:* AnMarie Rodgers, Manager Legislative Affairs  
 anmarie.rodgers@sfgov.org, 415.558.6395  
*Recommendation:* **Recommend Approval with Modification**

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### PLANNING AND BUILDING CODE AMENDMENTS

The proposed Ordinance would 1) recognize Small Business Month in May 2013; 2) amend the San Francisco Planning Code, and the San Francisco Building Code to waive fees for the month of May for certain façade improvements; and 3) make 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

#### The Way It Is Now:

Planning Code (hereinafter "Code") Section 355(a) establishes fees for alterations to existing buildings based upon the cost of construction of the work. The Code establishes the current fees as follows:

Estimated Construction Cost	Initial Fee
\$0.00 to \$9,999.00	\$326.00
\$10,000.00 to \$49,999.00	\$334.00 + 3.414% of cost over \$10,000.00
\$50,000.00 to \$99,999.00	\$1,725.00 + 2.281% of cost over \$50,000.00 + \$89.00 D.R. Surcharge and \$291.00 Cat Ex Stamp Fee
\$100,000.00 to \$499,999.00	\$2,890.00 + 2.497% of cost over \$100,000.00 + \$89.00 D.R. Surcharge and \$291.00 Cat Ex Stamp Fee
\$500,000.00 to \$999,999.00	\$13,068.00 + 0.631% of cost over \$500,000.00 + \$89.00 D.R. Surcharge and \$291.00 Cat Ex Stamp Fee
\$1,000,000.00 to \$4,999,999.00	\$16,286.00 + 0.248% of cost over \$1,000,000.00 + \$89.00 D.R. Surcharge and \$291.00 Cat Ex Stamp Fee
\$5,000,000.00 to \$99,999,999.00	\$26,392.00 + .004% of cost over \$5,000,000.00 + \$89.00 D.R. Surcharge and \$291.00 Cat Ex Stamp Fee
\$100,000,000.00 or more	\$30,530 + \$89.00 D.R. Surcharge and \$291.00 Cat Ex Stamp Fee

Planning Code Section 355(e) establishes a flat \$155 fee for sign replacement, including signage that is located on awnings.

**The Way It Would Be:**

The Ordinance proposes to waive Planning Department fees for permits of awning replacements and signs that are issued during the month of May 2013. The Ordinance also proposes to waive Building Department fees for both awning and sign replacement and pedestrian-level lighting.

**Issues and Considerations:**

- **Same Ordinance Passed for Small Business Month 2012:** The exact same Ordinance was passed last year for Small Business month. It was originally introduced by Supervisor Carmen Chu under Board File No. 120188. Supervisor Chu's ordinance originally waived the fees for awnings alone. On March 22, 2012, the Planning Commission voted 6-0 to approve the Ordinance with Modifications. The Planning Commission recommended that the fee for awnings on signs also be waived for Small Business month, as the original version of the Ordinance only waived the replacement fee for awnings. Because the Supervisor's intent was to encourage façade improvements through repair and replacement of awnings, the Commission noted that without additionally waiving the fee for awnings on signs, small businesses would likely still need to pay a fee for awning replacements as most awning replacements include a signage permit fee. After the Planning Commission's vote, the Ordinance was revised to include a fee waiver for *all signs*. However, in practice the Department of Building Inspection only waived the fee for awnings and signs on awnings last year, consistent with the Commission's recommendation.
- **Small Business Commission (SBC):** The SBC will be voting on this Ordinance at their April 22 2013 meeting. Last year the SBC voted 7-0 to recommend approval of the proposed Ordinance. This year the recommendation from the SMC Staff is for approval.
- **Department of Building Inspection Review of Both Awning Replacement and Pedestrian Lighting Permits:** The Department of Building Inspection (hereinafter "DBI") reviews both pedestrian-oriented lighting and awning replacement permits. The Planning Department is not typically involved in the review of pedestrian-level lighting. DBI's Central Permit Bureau accepts and issues construction permits for buildings located within the City and County of San Francisco. Last year 11 awning permits, four of which also included signs received waivers. Therefore, last year this Ordinance cost DBI approximately \$20,000. DBI's Electrical Division was not able to separate the specific electrical permits that might fall into that pedestrian level lighting category. That said, DBI estimates that any permit fees tied specifically to such lighting would have a very minor impact on DBI permit fee revenues.
- **Planning Department Review of Awning and Sign Replacement Permits:** The proposed Ordinance would waive fees not only for replacement of awnings with signs, but also replacement of existing stand-alone signs. During last year's Small Business Month, the Department of Building Inspection waived a total of 11 awning replacement fee, four of which included signs. The Planning Department fee for review of awning replacement is dependent on two factors: 1) the cost of construction and 2) whether or not the awning contains signage. The cost of construction for an awning replacement is typically under \$10,000 and therefore the fee for awning replacement alone would likely be \$326. If



signage on the awning were to change, a flat fee of \$155 is added for review of the signage, bringing the total Planning fees for awning and signage review to \$481. Therefore last year this proposal cost the Planning Department \$4,206.

Under the proposed Ordinance, fees for both awnings and all signs would be waived. Last May the Planning Department approved 92 sign permits. On average we approve 55 signs a month last year. There is no way to track how many of those permits were for small business signs, but including all signs instead of just signs on awnings would significantly increase the fee exemption and therefore the cost to the Department. The cost to the Department for waiving 92 sign permits would have been \$14,260, or over 3 times as much as it cost the Department last year. This issue has been discussed with Supervisor Kim's office. While the Supervisor would like to include all signs in the proposed Ordinance, she is also inclined to listen to the input from the Planning Commission and modify her proposal accordingly.

- **Incentive for Small Business Façade Improvements.** It should be noted that while the Ordinance acknowledges "Small Business Month" and is intended to help small businesses to improve their building facades and store fronts, as drafted, the Ordinance would exempt any property owner from fees for these permits issued during May 2013. The legislative sponsor, Supervisor Katy Tang, has partnered with the Department of Building Inspection, Planning Department, Office of Economic & Workforce Development, and Office of Small Business. Together these parties intend to market this waiver to small businesses.
- **Full Review Provided.** The proposed Ordinance does not circumvent any City or State requirements. Any building permit which needed additional review for historic resources, CEQA, public notice or other issues would be reviewed consistent with City practice. The fee exemption only applies to permits which can be *issued* during the month of May and does not require expediting or shortening of the permit review process.
- **Definition of a Small Business.** The Ordinance defines a small business enterprise as one that has 500 or fewer employees. In conversations with Supervisor Tang's office, they intend to reduce that to 100 employees.

## REQUIRED COMMISSION ACTION

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

## RECOMMENDATIONS

The Department recommends that the Commission recommend approval with modifications. Staff proposes the following modifications:

- Limit the fee waiver to permits for awning and permits for signs on awnings only.

**Basis for Recommendation:** With Staff's proposed revision, the Department believes that the proposed Ordinances would provide an incentive to improve business facades at what is projected to be minimal cost to the City. Therefore, we recommend support of this proposed Ordinance as a gesture of goodwill

**Executive Summary**

Hearing Date: April 25, 2013

**CASE NO. 2013.0464T  
Waiving Certain Fees for Small  
Business Month**

during Small Business Month 2013, consistent with the Commission’s recommendations from 2012. However, the Department finds that expanding the Ordinance so that it includes all signs for small business enterprises may set a precedent for waiving fees too broadly. Last year the Commission voted to expand the Ordinance so that it included signs on awnings, and the Department believes that this recommendation is still the most prudent approach.

**ENVIRONMENTAL REVIEW**

The proposed amendments to the Planning Code has been reviewed and found exempt from CEQA per Section 15273, Rates, Tolls, Fares and Charges.

**PUBLIC COMMENT**

As of the publication of this report, no public comment was received on this item.

<b>RECOMMENDATION:</b> <b>Recommendation of Approval with Modification</b>
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**Attachments:**

- Exhibit A:        Draft Planning Commission Resolution
- Exhibit B:        Draft Board of Supervisors Ordinance [Board File No. 130284]