

File No. 210030

Committee Item No. 7

Board Item No. 4

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date February 17, 2021

Board of Supervisors Meeting

Date February 23, 2021

Cmte Board

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OTHER (Use back side if additional space is needed)

- ADU Fee Waiver Impact Report
- Planning Department - CEQA Determination
- _____
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Completed by: Linda Wong

Date February 12, 2021

Completed by: Linda Wong

Date February 18, 2021

1 [Building Code - Fee Waiver for Accessory Dwelling Units]

2

3 **Ordinance amending the Building Code to waive specified fees for certain accessory**
4 **dwelling unit projects through June 30, 2023; requiring the Department of Building**
5 **Inspection to annually report on such waivers; and affirming the Planning**
6 **Department's determination under the California Environmental Quality Act.**

7 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
8 **Additions to Codes** are in *single-underline italics Times New Roman font*.
9 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
10 **Board amendment additions** are in double-underlined Arial font.
11 **Board amendment deletions** are in ~~strikethrough Arial font~~.
12 **Asterisks (* * * *)** indicate the omission of unchanged Code
13 subsections or parts of tables.

11

12 Be it ordained by the People of the City and County of San Francisco:

13

14 Section 1. Background and Findings.

15 (a) The Planning Department has determined that the actions contemplated in this
16 ordinance comply with the California Environmental Quality Act (California Public Resources
17 Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of
18 Supervisors in File No. 210030 and is incorporated herein by reference. The Board affirms
19 this determination.

20 (b) On February 10, 2021, at a duly noticed public hearing, the Building Inspection
21 Commission considered this ordinance in accordance with Charter Section D3.750-5 and
22 Building Code Section 104A.2.11.1.1. A copy of a letter from the Secretary of the Building
23 Inspection Commission regarding the Commission's recommendation is on file with the Clerk
24 of the Board of Supervisors in File No. 210030, and is incorporated herein by reference.

25

1 (c) The State of California recognizes that construction of accessory dwelling units is
2 part of a suite of strategies to address housing challenges in the state. In 2019, state
3 legislators passed Senate Bill 13, Assembly Bill 68, Assembly Bill 881, and Assembly Bill 671
4 among several bills designed to facilitate the construction of accessory dwelling units, clarify
5 their contribution toward Regional Housing Needs Assessments allocations for local agencies,
6 and require that local agencies' General Plan Housing Elements incentivize construction of
7 accessory dwelling units as affordable units for tenants with very low, low, and moderate
8 incomes.

9 (d) San Francisco's housing affordability crisis impacts tenants with very low, low, and
10 moderate incomes. These tenants could benefit from the addition of accessory dwelling units
11 to the City's affordable housing stock. In districts containing a greater proportion of single-
12 family homes, accessory dwelling units can increase housing density within the current zoning
13 limits. Property owners have described a number of reasons for constructing accessory
14 dwelling units, including creating space for multigenerational living, addressing mobility issues
15 for seniors, and adding rental income streams. For some single-family homeowners of limited
16 or modest means that lack access to significant capital, the cost of constructing accessory
17 dwelling units, including Building Code fees, can be a barrier to construction of accessory
18 dwelling units.

19
20 Section 2. The San Francisco Building Code is hereby amended by deleting existing
21 Section 107A.15, and adding new Section 107A.15, to read as follows:

22
23 ~~**107A.15 Building Code fee waivers for 100% affordable housing projects and accessory**~~
24 ~~**dwelling unit projects. Notwithstanding any fee provision of the Building Code to the contrary, the**~~
25 ~~**following provisions shall apply to 100% affordable housing projects and accessory dwelling unit**~~

1 ~~projects where the subject accessory dwelling unit property is: (1) within a building or on a property~~
2 ~~containing four or fewer dwelling units or (2) located on a nonprofit charitable organization's~~
3 ~~residential project.~~

4 ~~(a) Building inspection fees, plan review fees, records retention fees, and site surcharge fees~~
5 ~~shall be waived. For purposes of this subsection (a), building inspection fees do not include electrical~~
6 ~~and plumbing fees.~~

7 ~~(b) For purposes of this Section 107A.15, affordable housing shall mean a multi-family~~
8 ~~residential building, including any ancillary commercial space, where 100% of the residential units~~
9 ~~(not including a manager's unit) will be subject to a recorded regulatory restriction to ensure~~
10 ~~affordability based on income, or where 100% of the residential units (not including a manager's unit)~~
11 ~~are funded by a nonprofit charitable organization and will provide permanent housing for homeless or~~
12 ~~formerly homeless persons.~~

13 ~~(c) For purposes of this Section 107A.15, accessory dwelling unit shall have the meaning set~~
14 ~~forth in Planning Code Section 102. The applicant for the accessory dwelling unit is eligible for a fee~~
15 ~~waiver (or proportionate fee waiver) solely for the establishment or modification of the accessory~~
16 ~~dwelling unit and no other work on the applicant's property that is subject to the Building Code.~~

17 ~~(d) Upon the effective date of the ordinance establishing Section 107A.15, which is on file with~~
18 ~~the Clerk of the Board of Supervisors in File No. 190214, the fee waiver shall apply as of the date of~~
19 ~~retroactivity stated in the ordinance establishing this Section.~~

20 ~~(e) The fee waiver provisions also shall apply to 100% affordable housing projects and~~
21 ~~accessory dwelling unit projects that have applied for building permits on or before the date of~~
22 ~~retroactivity as stated in the ordinance identified in subsection (d) but have yet to receive a final~~
23 ~~certificate of occupancy on the date of retroactivity; provided however, that the fee waiver shall apply~~
24 ~~only to applicable Building Code fees that have not been paid as of the date of retroactivity. The~~
25

1 *Department of Building Inspection shall not refund any fees paid for such projects prior to the date of*
2 *retroactivity.*

3 ~~*(f) Subject to the exception in subsection (g), the fee waiver provisions shall apply for one year*~~
4 ~~*from the effective date of the ordinance on file with the Clerk of the Board of Supervisors in File No.*~~
5 ~~*190214. One year from the effective date of the aforementioned ordinance, this Section 107A.15 shall*~~
6 ~~*expire by operation of law, except as stated in subsection (g).*~~

7 ~~*(g) Any 100% affordable housing projects and accessory dwelling unit projects that apply for*~~
8 ~~*a building permit on or after the date of retroactivity as stated in the ordinance identified in subsection*~~
9 ~~*(d) are eligible for all applicable fee waivers even if such fees are due after this Section 107A.15*~~
10 ~~*expires as set forth in subsection (f).*~~

11 ~~*(h) To the extent the Department is aware that a project qualifies for a fee waiver under this*~~
12 ~~*Section 107A.15, the Department shall inform the applicant about the fee waiver. The Department also*~~
13 ~~*shall post notice of the fee waiver program on its website and at various locations in its offices where*~~
14 ~~*the notice will be visible to applicants.*~~

15
16 **107A.15 Building Code fee waivers for accessory dwelling unit projects on lots containing**
17 **single-family homes. Notwithstanding any fee provision of the Building Code to the contrary, the**
18 **following provisions shall apply to accessory dwelling unit projects located on a lot containing a**
19 **single-family home.**

20 *(a) Building inspection fees, plan review fees, records retention fees, and site surcharge fees*
21 *shall be waived. For purposes of this subsection (a), building inspection fees do not include electrical*
22 *and plumbing fees.*

23 *(b) For purposes of this Section 107A.15, “accessory dwelling unit” shall have the meaning*
24 *set forth in Planning Code Section 102, as amended from time to time. The applicant for the accessory*
25 *dwelling unit is eligible under subsection (a) for fee waivers or proportionate fee waivers, if applicable*

1 (collectively, “fee waivers”) solely for the establishment or modification of the accessory dwelling unit,
2 and not for any other work on the applicant’s property that is subject to the Building Code.

3 (c) Upon the operative date of the ordinance establishing this Section 107A.15 to provide fee
4 waivers for certain accessory dwelling unit projects, which is on file with the Clerk of the Board of
5 Supervisors in File No. 210030, the fee waivers provided for under subsection (a) shall apply
6 retroactively as of January 1, 2021. The Department of Building Inspection shall refund any applicable
7 fees paid after January 1, 2021 for projects eligible under subsection (a) for fee waivers or
8 proportionate fee waivers. The fee waivers also shall apply to accessory dwelling unit projects that
9 applied for building permits on or before January 1, 2021 but did not receive a final certificate of
10 occupancy by January 1, 2021; provided, however, that the fee waivers shall apply only to applicable
11 Building Code fees that have not been paid as of January 1, 2021. The Department of Building
12 Inspection shall not refund any fees paid for such projects prior to January 1, 2021.

13 (d) Subject to the exception in subsection (e), this Section 107A.15 shall expire by operation of
14 law on either (1) July 1, 2023, or (2) the first day of any fiscal year for which the Board of Supervisors
15 has not appropriated monies or authorized expenditures necessary to fund the fee waivers established
16 by this Section 107A.15, whichever is earlier. Upon its expiration, the City Attorney shall cause this
17 Section 107A.15 to be removed from the Building Code.

18 (e) Any accessory dwelling unit projects that apply for a building permit during the period
19 beginning on January 1, 2021 and ending on the date that this Section 107A.15 expires are eligible for
20 all applicable fee waivers, even if such fees are due after this Section 107A.15 expires as set forth in
21 subsection (d).

22 (f) To the extent the Department is aware that a project qualifies for a fee waiver under this
23 Section 107A.15, the Department shall individually inform the applicant about the fee waiver. The
24 Department also shall post notice, on its website and at various locations in its offices where the notice
25 will be visible to applicants, of the fee waivers available under this Section 107A.15.

1 (g) Department of Building Inspection Reports. On March 1, 2022, the Department of Building
2 Inspection shall submit a report to the Board of Supervisors and the Building Inspection Commission
3 on the operation of the fee waiver program established by this Section 107A.15 for the period of
4 calendar year 2021. On March 1, 2023, the Department of Building Inspection shall submit a report to
5 the Board of Supervisors and the Building Inspection Commission on the operation of the fee waiver
6 program established by this Section 107A.15 for the period of calendar year 2022. The reports shall
7 include, but need not be limited to, the number of projects taking advantage of one or more fee waivers,
8 the type and location of such projects, the total amount of fees waived or projected to be waived during
9 the term of this Section 107A.15, and any administrative impacts associated with the Department’s
10 processing of such waivers. The report also shall include the following information in regard to an
11 ADU: (a) the length of time the applicant has owned the property; (b) whether the applicant is an
12 individual or a business; (c) whether the applicant intends to rent the ADU, and if so, whether the
13 applicant has under consideration a price range for rent; (d) whether the applicant has submitted
14 building permit applications for other residential properties in the City within the last 10 years; and (e)
15 whether the applicant owns, in whole or in part, any other residential property in San Francisco either
16 as an individual or as part of a partnership or corporation. The Director of the Department of Building
17 Inspection shall decide how best to obtain the information required by this subsection (g), which may
18 include self-reporting by applicants.

19
20 Section 3. Expiration by Law of Prior Fee Waiver Pilot Program. On September 13,
21 2019, the City enacted Ordinance No. 207-19, which added Building Code Section 107A.15 to
22 establish an approximately one-year pilot program to waive specified fees for 100% affordable
23 housing projects and certain accessory dwelling units (“Fee Waiver Pilot Program”).
24 Ordinance No. 207-19 is available in Clerk of the Board of Supervisors File No. 190214. The
25 Fee Waiver Pilot Program expired by operation of law on October 14, 2020. However, any

1 100% affordable housing projects and accessory dwelling unit projects that applied for a
2 building permit on or after June 1, 2019 and before October 14, 2020 remain eligible for all
3 applicable fee waivers under the Fee Waiver Pilot Program, even if such fees are due after
4 expiration of the Fee Waiver Pilot Program. Notwithstanding that the Building Code Section
5 107A.15 set forth in Ordinance No. 207-19, is being deleted and replaced by a new Section
6 107A.15, the fee waivers under Ordinance No. 207-19 shall remain available to applicants for
7 building permits in the June 1, 2019 through October 13, 2020 time frame, according to the
8 terms of Ordinance No. 207-19, until there are no more eligible projects that qualify for a fee
9 waiver under Ordinance No. 207-19.

10
11 Section 4. Effective and Operative Dates.

12 (a) Effective Date. This ordinance shall become effective 30 days after enactment.
13 Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance
14 unsigned or does not sign the ordinance within ten days of receiving it, or the Board of
15 Supervisors overrides the Mayor's veto of the ordinance.

16 (b) Operative Date. This ordinance shall become operative on the date that the
17 Controller certifies, in writing, to the Director of the Department of Building Inspection that
18 either (1) the Board of Supervisors has enacted an ordinance appropriating monies necessary
19 to fund the fee waivers established by this ordinance, (2) the Board of Supervisors has
20 authorized expenditures under Article XIII of Administrative Code Chapter 10 necessary to
21 fund such fee waivers, or a combination of options (1) and (2).

22
23 Section 5. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
24 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
25 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal

1 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment
2 additions, and Board amendment deletions in accordance with the “Note” that appears under
3 the official title of the ordinance.

4

5 APPROVED AS TO FORM:
6 DENNIS J. HERRERA, City Attorney

7 By: /s/ Peter R. Miljanich
8 PETER R. MILJANICH
9 Deputy City Attorney

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LEGISLATIVE DIGEST

[Building Code - Fee Waiver for Accessory Dwelling Units]

Ordinance amending the Building Code to waive specified fees for certain accessory dwelling unit projects through June 30, 2023; requiring the Department of Building Inspection to annually report on such waivers; and affirming the Planning Department's determination under the California Environmental Quality Act

Existing Law

The Building Code establishes a variety of fees for building permit applications, inspections, and other actions under the Building Code.

Amendments to Current Law

This ordinance would waive certain Building Code fees for certain accessory dwelling unit projects, as defined in the legislation, beginning on January 1, 2021. The fee waiver program established by this ordinance would expire on either (1) June 30, 2023, or (2) the first day of any fiscal year for which the Board of Supervisors has not appropriated monies or authorized expenditures necessary to fund the fee waiver program, whichever is earlier. The ordinance would require that the subject accessory dwelling unit be located on a lot containing a single-family home. The fee waiver program would apply to building inspection, plan review, records retention, and site surcharge fees. The ordinance would require the Department of Building Inspection to report annually on the fee waiver program. The ordinance also would make environmental findings.

Background Information

The City previously enacted a one-year pilot program to waive certain Building Code fees for 100% affordable housing projects and accessory dwelling unit projects, beginning on June 1, 2019. That pilot program expired on October 14, 2020.

Items 7 and 8 Files 21-0030 and 21-0031	Department: Department of Building Inspection
EXECUTIVE SUMMARY	
<p style="text-align: center;">Legislative Objectives</p> <p>File 21-0030 is an ordinance amending the Building Code to waive certain fees for accessory dwelling unit projects on single family residence lots from January 1, 2021 through June 30, 2023. Under the proposed ordinance, the Department of Building Inspection would be required to annually report on the fee waivers.</p> <p>File 21-0031 is an ordinance appropriating \$165,000 from the General Reserve for FY 2020-21 to offset the revenue reduction of the proposed fee waiver.</p> <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> • File 21-0030 waives building inspection fees, plan review fees, records retention fees, and site surcharge fees for the construction of accessory dwelling units on single family residence lots. Plumbing and electrical inspection fees are not included. These fee waivers would apply retroactively to January 1, 2021 through June 30, 2023. Accessory dwelling unit projects that paid fees after January 1, 2021 but before approval of the proposed ordinance, including projects that applied for permits prior to January 1, 2021 but did not receive a certificate of occupancy until after January 1, 2021, would be eligible for reimbursement. • The Board of Supervisors approved a one-year pilot waiving building inspection and other fees from June 2019 to May 2020 for accessory dwelling unit projects. File 21-0030 applies specifically to accessory dwelling units on single family residence lots, compared to the pilot program which was not specific to single family residence lots. According to the Department of Building Inspection, approximately 38 percent of the accessory dwelling unit applications under the pilot program were for single family residence lots. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> • The proposed appropriation of \$165,000 from the General Reserve in FY 2020-21 would offset the reduction in fee revenue for an estimated 93 new accessory dwelling unit projects on single family residence lots in FY 2020-21 between January 2021 and June 2021. <p style="text-align: center;">Policy Consideration</p> <ul style="list-style-type: none"> • The General Reserve balance is \$78.5 million, equal to 1.5 percent of General Fund revenue in FY 2020-21. The Administrative Code allows reducing the General Fund Reserve level in FY 2020-21 from 3 percent to 1.5 percent if funds are appropriated from the Rainy Day Reserve. The proposed Five-Year Financial Plan anticipates appropriating \$114.5 million from the Rainy Day Reserve in FY 2020-21. Administrative Code Section 10.60(b) requires appropriation of sufficient funds to the General Reserve to restore the fund balance to the level required by the Administrative Code. The Board of Supervisors may temporarily suspend the provisions of Section 10.60(b) by two-thirds vote for the current or upcoming budget year. <p style="text-align: center;">Recommendation</p> <ul style="list-style-type: none"> • Approval of the proposed ordinances is a policy matter for the Board of Supervisors. 	

MANDATE STATEMENT

Charter Section 2.105 states that the Board of Supervisors shall act by written ordinance or resolution.

BACKGROUND

The Board of Supervisors approved a one-year pilot program from June 2019 through May 2020, waiving building inspection (except plumbing and electrical), plan review, records retention, and site surcharge fees for accessory dwelling unit projects (Ordinance 207-19).

DETAILS OF PROPOSED LEGISLATION

File 21-0030 is an ordinance amending the Building Code to waive certain fees for accessory dwelling unit projects on single family residence lots from January 1, 2021 through June 30, 2023. Under the proposed ordinance, the Department of Building Inspection would be required to annually report on the fee waivers. The proposed ordinance would affirm the Planning Department's determination that the proposed fee waiver complies with the California Environmental Quality Act (CEQA).

File 21-0031 is an ordinance appropriating \$165,000 from the General Reserve for FY 2020-21 to offset the revenue reduction of the proposed fee waiver.

Building Permit Fee Waiver (File 21-0030)

The proposed ordinance applies to the construction of accessory dwelling units (ADUs) on lots containing single family residences. The ordinance waives building inspection fees, plan review fees, records retention fees, and site surcharge fees. Building inspection fees for plumbing and electrical work are not included. These fee waivers would apply retroactively to January 1, 2021 through June 30, 2023. Accessory dwelling unit projects that paid fees after January 1, 2021 but before approval of the proposed ordinance, including projects that applied for permits prior to January 1, 2021 but did not receive a certificate of occupancy until after January 1, 2021, would be eligible for reimbursement.

Department of Building Inspection Reports

The proposed ordinance requires reports to the Board of Supervisors and the Building Inspection Commission on the fee waiver program on March 1, 2022 for calendar year (CY) 2021, and on March 1, 2023 for CY 2022. These reports are to include the number of projects, including type and location, and total amount of fees waived or projected to be waived. The report is also to include characteristics of the accessory dwelling unit project, including (a) length of time the applicant has owned the property, (b) whether the applicant is an individual or a business, (c) whether the accessory dwelling unit will be a rental and the intended amount of the rent, (d) whether the applicant has submitted building permit applications for other residential properties; and (e) whether that applicant owns other residential properties in the City.

FISCAL IMPACT*Impact of the FY 2019-20 One-Year Fee Waiver*

The Board of Supervisors approved a one-year waiver from June 2019 to May 2020 for plan review, building inspection, records retention, and site surcharge fees for accessory dwelling units (Ordinance 207-19). Ordinance 207-19 was enacted in October 2019 but was retroactive to June 2019. According to a May 2020 memorandum from the Department of Building Inspection, 489 accessory dwelling unit applications were submitted between June 2019 and May 2020, of which 259 applications were submitted prior to and 230 applications were submitted after the ordinance enactment date on October 13, 2019. The reduction in fee revenue to the Department of Building Inspection during the one-year fee waiver was \$861,967.

Potential Impact of the Proposed Ordinances

The proposed ordinance applies to accessory dwelling units on single family residence lots, compared to the pilot program from June 2019 to May 2020, which was not specific to single family residence lots. According to the Department of Building Inspection memorandum, approximately 38 percent of the accessory dwelling unit applications (87 of 230 applications) between October 2019 (the implementation date of Ordinance 207-19) and May 2020 were for single family residence lots.

The proposed appropriation of \$165,000 from the General Reserve in FY 2020-21 would offset the reduction in fee revenue for an estimated 93 new accessory dwelling unit projects on single family residence lots between January 2021 and June 2021.¹

General Reserve

The current balance of the General Reserve is \$78.5 million, equal to 1.5 percent of General Fund revenue in FY 2020-21, according to the proposed Five-Year Financial Plan for FY 2021-22 through FY 2025-26. This General Reserve funding level is consistent with the Administrative Code, which allows a reduction in the General Fund Reserve in FY 2020-21 from 3 percent to 1.5 percent of General Fund revenues if funds are appropriated from the Rainy Day Reserve. The proposed Five-Year Financial Plan assumes the maximum appropriation of \$114.5 million from the Rainy Day Reserve in FY 2020-21.

Administrative Code Section 10.60(b) requires appropriation of sufficient funds to the General Reserve to restore the fund balance to the level required by the Administrative Code. The Board of Supervisors may temporarily suspend the provisions of Section 10.60(b) by two-thirds vote for the current or upcoming budget year. According to the Administrative Code, the Board of Supervisors may suspend Section 10.60(b) provisions following a natural disaster that causes the Mayor or the Governor to declare a state of emergency, or for any other purpose.

RECOMMENDATION

Approval of the proposed ordinances is a policy matter for the Board of Supervisors.

¹ The average fee waiver during the pilot program from June 2019 to May 2020 was \$1,762, based on approximately \$862,000 in waived fees for 489 units.



BUILDING INSPECTION COMMISSION (BIC)

Department of Building Inspection

Voice (628) 652 -3510

49 South Van Ness Avenue, 5th Floor San Francisco, California 94103

February 10, 2021

London N. Breed
Mayor

COMMISSION

Angus McCarthy
President

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Vice-President

Alysabeth
Alexander-Tut
Raquel Bito
Kevin Clinch
Jon Jacobo
Jason Tam

Sonya Harris
Secretary

Patrick O’Riordan,
C.B.O.,
Interim Director

Ms. Angela Calvillo
Clerk of the Board
Board of Supervisors, City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4694

Dear Ms. Calvillo:

RE: File No. 210030

Ordinance amending the Building Code to waive specified fees for certain accessory dwelling unit projects through June 30, 2023; requiring the Department of Building Inspection to annually report on such waivers; and affirming the Planning Department’s determination under the California Environmental Quality Act.

The Building Inspection Commission met and held a public hearing on February 10, 2021 regarding File No. 210030 on the proposed amendment to the Building Code referenced above. The Commissioners voted unanimously to **recommend approval** of the proposed Ordinance.

President McCarthy	Yes	Vice-President Moss	Yes
Commissioner Bito	Yes	Commissioner Clinch	Yes
Commissioner Jacobo	Yes	Commissioner Tam	Yes
Commissioner Alexander-Tut	Yes		

Should you have any questions, please do not hesitate to call me at (628) 652-3510.

Sincerely,

Sonya Harris
Commission Secretary

cc: Patrick O'Riordan, Interim Director
Mayor London N. Breed
Supervisor Gordon Mar
Supervisor Myrna Melgar
Supervisor Ahsha Safai
Supervisor Connie Chan
Board of Supervisors

BOARD of SUPERVISORS



City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

January 15, 2021

File No. 210030

Lisa Gibson
Environmental Review Officer
Planning Department
1650 Mission Street, Ste. 400
San Francisco, CA 94103

Dear Ms. Gibson:

On January 12, 2021, Supervisor Mar submitted the following legislation:

File No. 210030

Ordinance amending the Building Code to waive specified fees for certain accessory dwelling unit projects through June 30, 2023; requiring the Department of Building Inspection to annually report on such waivers; and affirming the Planning Department's determination under the California Environmental Quality Act.

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

A handwritten signature in black ink, appearing to read "Erica Major".

By: Erica Major, Assistant Clerk
Land Use and Transportation Committee

Attachment

c: Joy Navarrete, Environmental Planning
Don Lewis, Environmental Planning

Not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it would not result in a direct or indirect physical change in the environment.

02/10/2021

A handwritten signature in black ink, appearing to read "Don Lewis".



Date: May 12, 2020

To: San Francisco Board of Supervisors
San Francisco Building Inspection Commission

From: Patrick O'Riordan, Interim Director

Re: Ordinance 207-19 100% Affordable/ADU Pilot Fee Waiver Impact Report

Background

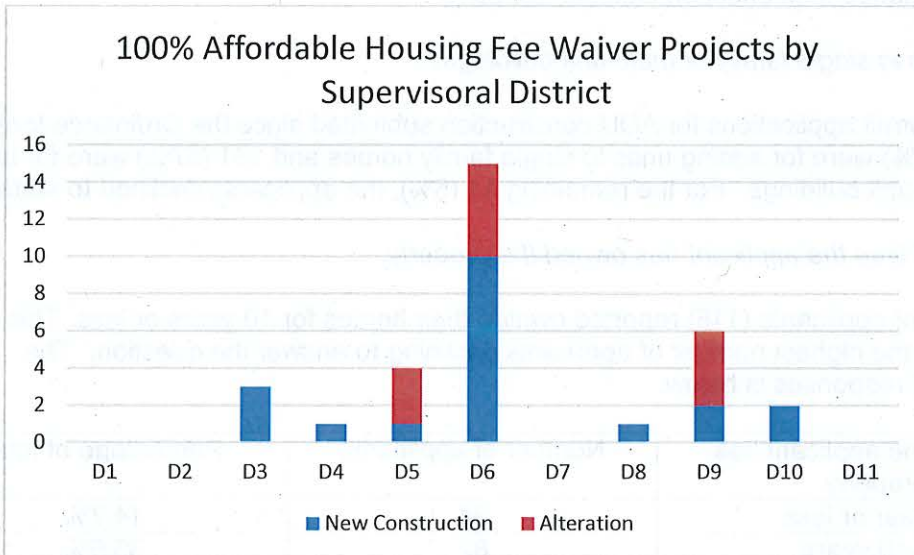
Effective October 13, 2019, Ordinance No. 207-19 waived for one year the Department of Building Inspection (DBI) Plan Review, Building Inspection, Records Retention and Site surcharge fees for the following types of projects:

- 100% Affordable Housing
- Accessory Dwelling Units (ADUs) on properties containing no more than four units or located on residential property owned by nonprofit charitable organizations.

The Ordinance was retroactive to June 1, 2019.

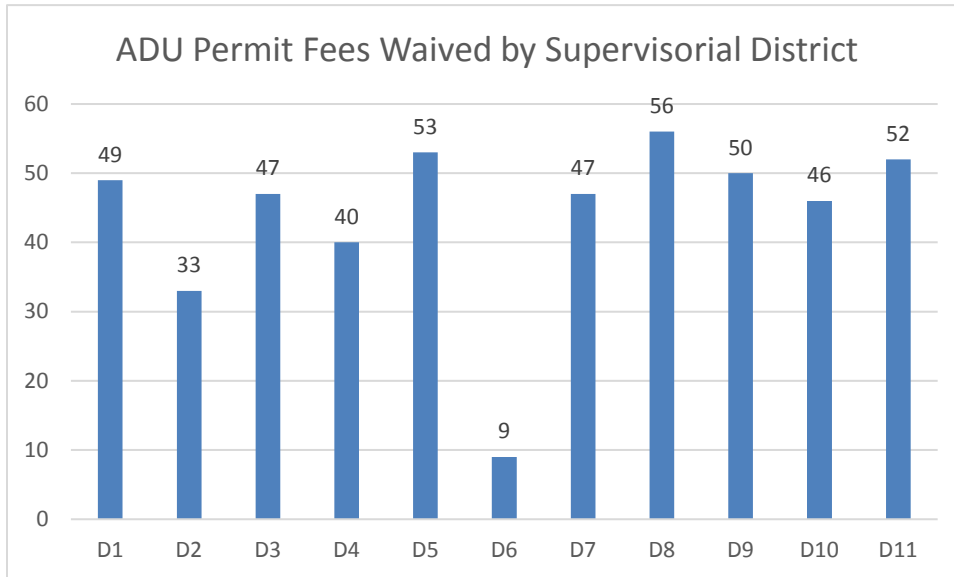
100% Affordable Housing Projects

DBI waived permit fees for a total of 32 100% affordable housing projects (12 alteration and 20 new construction projects). It should be noted that many of the projects required multiple building permits, so fees were waived for a total of 24 new construction permits and 49 alteration permits. The chart below shows the geographical distribution of projects taking advantage of the permit fee waivers.



Accessory Dwelling Units

A total of 482 ADU projects* took advantage of the pilot year fee waiver. Of those, 259 were submitted between June 1, 2019, the Ordinance's date of retroactivity, and October 13, 2019, the Ordinance's effective date. The chart below shows the geographical distribution of projects taking advantage of the permit fee waiver.



*The total number of ADU permits waived was 489, as a small number of projects applied for multiple permits.

The Ordinance requires this report to include the following information regarding ADUs. The information was self-reported by applicants via customer questionnaire. It was collected for permit applications submitted after the ordinance took effect on October 13, 2019.

1) *Are the ADUs in single family or multi-unit buildings?*

Of the 230 permit applications for ADU construction submitted since the Ordinance took effect, 87 (38%) were for adding units to single family homes and 131 (57%) were for adding units to multi-unit buildings. For the remaining 11 (5%), the applicants declined to state.

2) *The length of time the applicant has owned the property.*

The majority of applicants (116) reported owning their homes for 10 years or less. This question had the highest number of applicants declining to answer the question. The breakdown of responses is below.

Length of time applicant has owned the property	Number of applicants	Percentage of total
1 year or less	34	14.7%
1-10 years	82	35.6%
11-20 years	27	11.7%
21-30 years	14	6%
More than 30 years	10	4.3%
Decline to state	63	27.3%

3) *Is the applicant an individual or business?*

161 applicants were individuals, 52 were businesses, and 17 declined to state.

4) *Does the applicant intend to rent the ADU, and if so, does the applicant have a price range they are considering?*

168 permit applicants stated that they intend to rent the ADU, 33 said that they did not, and 29 declined to state. Of those applicants who stated that they intended to rent the units, the average expected rent was \$2,703. The breakdown of responses is below.

Anticipated Rent	Number of Applicants	Percentage of Total
\$1-\$1,000	5	3%
\$1,001-\$2,000	45	26.7%
\$2,001-\$3,000	42	25%
\$3,001-\$4,000	25	14.8%
\$4,001 or greater	9	5.3%
To be determined/ declined to state	42	25%

5) *Does the applicant have or has the applicant had building permit applications for other residential properties in the city within the last 10 years?*

110 of the applicants had applied for building permits for other residential properties in the city within the last 10 years, 92 had not, and 28 declined to state.

6) *Does the applicant own in whole or in part other residential property in San Francisco as an individual or as part of a partnership or corporation?*

111 of the applicants reported having some ownership in other residential property. 85 did not. 34 declined to state.

Fiscal Impact

Total affordable housing permit fees waived equal \$4.2M: \$3.3M for 24 new construction permits and \$852K for 49 alteration permits. The average fees waived per permit equal \$140K for new construction and \$17K for alteration. Total ADU permit fees waived equal \$862K for 489 ADU permits. The average fees waived for ADU permits equal \$1,762.

The total fiscal impact on DBI from the pilot program is \$5M. This amount is more than double the original estimate of \$2M in the Budget Analyst’s report, due primarily to the larger than estimated number of affordable housing permits. The table below includes details of fees waived.

	Plan Review Fee	Site Fee	Records Retention Fee	Building Inspection Fee	Total Fees
Accessory Dwelling Unit (ADU)	531,641	63,158	11,535	255,633	861,967
Affordable Housing new construction	1,894,581	426,260	6,982	1,038,215	3,366,038
Affordable Housing alteration/ small construction	519,668	65,489	17,680	249,126	851,963
Total	2,945,890	554,907	36,197	1,542,974	5,079,968

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO: Patrick O'Riordan, Director, Department of Building Inspection
Sonya Harris, Commission Secretary, Building Inspection Commission

FROM: Erica Major, Assistant Clerk, Land Use and Transportation Committee

DATE: January 15, 2021

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following legislation, introduced by Supervisor Mar on January 12, 2021:

File No. 210030

Ordinance amending the Building Code to waive specified fees for certain accessory dwelling unit projects through June 30, 2023; requiring the Department of Building Inspection to annually report on such waivers; and affirming the Planning Department's determination under the California Environmental Quality Act.

The proposed ordinance is being transmitted pursuant to Charter, Section D3.750-5, for public hearing and recommendation. It is pending before the Land Use and Transportation Committee and will be scheduled for hearing upon receipt of your response.

Please forward me the Commission's recommendation and reports at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: Erica.Major@sfgov.org.

c: John Murray, Department of Building Inspection
Patty Lee, Department of Building Inspection

BOARD of SUPERVISORS



City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

January 15, 2021

File No. 210030

Lisa Gibson
Environmental Review Officer
Planning Department
1650 Mission Street, Ste. 400
San Francisco, CA 94103

Dear Ms. Gibson:

On January 12, 2021, Supervisor Mar submitted the following legislation:

File No. 210030

Ordinance amending the Building Code to waive specified fees for certain accessory dwelling unit projects through June 30, 2023; requiring the Department of Building Inspection to annually report on such waivers; and affirming the Planning Department's determination under the California Environmental Quality Act.

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

A handwritten signature in cursive script, appearing to read "Erica Major".

By: Erica Major, Assistant Clerk
Land Use and Transportation Committee

Attachment

c: Joy Navarrete, Environmental Planning
Don Lewis, Environmental Planning

President, District 10
BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
Tel. No. 554-6516
Fax No. 554-7674
TDD/TTY No. 544-6546

Shamann Walton

PRESIDENTIAL ACTION

Date: 1/15/2021

To: Angela Calvillo, Clerk of the Board of Supervisors

Madam Clerk,

Pursuant to Board Rules, I am hereby:

Waiving 30-Day Rule (Board Rule No. 3.23)

File No. [REDACTED]

[REDACTED] (Primary Sponsor)

Title: [REDACTED]

Transferring (Board Rule No 3.3)

File No. 210030

Mar (Primary Sponsor)

Title:

Building Code - Fee Waiver for Accessory Dwelling Units

From: Land Use & Transportation Committee

To: Budget & Finance Committee

Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor: [REDACTED]

Replacing Supervisor: [REDACTED]

For: [REDACTED]

(Date)

[REDACTED] (Committee)

Meeting

Start Time: [REDACTED]

End Time: [REDACTED]

Temporary Assignment: Partial Full Meeting



Shamann Walton, President
Board of Supervisors

From: [Egan, Ted \(CON\)](#)
To: [Wong, Linda \(BOS\)](#)
Cc: [Khan, Asim \(CON\)](#)
Subject: RE: File No. 210030 - Building Code - Fee Waiver for Accessory Dwelling Units (Economic Impact)
Date: Tuesday, February 16, 2021 4:51:54 PM

We have completed our review of 210030 and will not be filing a report on the matter.

thank you,
Ted

Ted Egan, Ph.D., Chief Economist
Office of the Controller
City and County of San Francisco
City Hall, Room 316
San Francisco, CA 94102
(415) 554-5268

From: Egan, Ted (CON)
Sent: Friday, February 12, 2021 4:30 PM
To: Wong, Linda (BOS) <linda.wong@sfgov.org>
Cc: Khan, Asim (CON) <asim.khan@sfgov.org>
Subject: RE: File No. 210030 - Building Code - Fee Waiver for Accessory Dwelling Units (Economic Impact)

Hi Linda, I will let you know on Tuesday morning. Thank you for the heads up, and enjoy your weekend.

Ted Egan, Ph.D., Chief Economist
Office of the Controller
City and County of San Francisco
City Hall, Room 316
San Francisco, CA 94102
(415) 554-5268

From: Wong, Linda (BOS) <linda.wong@sfgov.org>
Sent: Friday, February 12, 2021 4:05 PM
To: Egan, Ted (CON) <ted.egan@sfgov.org>
Cc: Khan, Asim (CON) <asim.khan@sfgov.org>
Subject: File No. 210030 - Building Code - Fee Waiver for Accessory Dwelling Units (Economic Impact)

Hi Ted,

The above mentioned item, pending economic impact review, is scheduled to be heard at the Budget & Finance Committee meeting on February 17, 2021 at 10:30 a.m.

If the matter is deemed to have economic impact, please provide the report to the Supervisors and I prior to the start of the meeting.

The agenda can be found by selecting the following link:

https://sfbos.org/sites/default/files/bfc021721_agenda.pdf

Regards,

Linda Wong

San Francisco Board of Supervisors

1 Dr. Carlton B. Goodlett Place, City Hall, Room 244

San Francisco, CA 94102-4689

Phone: 415.554.7719 | Fax: (415) 554-5163

Linda.Wong@sfgov.org | www.sfbos.org

Please complete a Board of Supervisors Customer Service Satisfaction form by clicking [here](#).

The [Legislative Research Center](#) provides 24-hour access to Board of Supervisors legislation, and archived matters since August 1998.

***Disclosures:** Personal information that is provided in communications to the Board of Supervisors is subject to disclosure under the California Public Records Act and the San Francisco Sunshine Ordinance. Personal information provided will not be redacted. Members of the public are not required to provide personal identifying information when they communicate with the Board of Supervisors and its committees. All written or oral communications that members of the public submit to the Clerk's Office regarding pending legislation or hearings will be made available to all members of the public for inspection and copying. The Clerk's Office does not redact any information from these submissions. This means that personal information—including names, phone numbers, addresses and similar information that a member of the public elects to submit to the Board and its committees—may appear on the Board of Supervisors website or in other public documents that members of the public may inspect or copy.*

From: [Chung, Lauren \(BOS\)](#)
To: [Wong, Linda \(BOS\)](#); [Calvillo, Angela \(BOS\)](#)
Cc: [Safai, Ahsha \(BOS\)](#); [PEARSON, ANNE \(CAT\)](#)
Subject: 210030 - Remove Supervisor Safai as a Co-Sponsor
Date: Tuesday, February 16, 2021 5:43:34 PM

Dear Madam Clerk,

Supervisor Safai asked me to reach out regarding Item #7 at the Budget & Finance Committee Agenda (see below) for tomorrow, Wednesday, February 17, 2021. Supervisor Safai will have to recuse himself from this [legislation](#) and requests to be removed as a sponsor on 210030 [Building Code – Fee Waiver for Accessory Dwelling Units].

7. [210030](#) [Building Code - Fee Waiver for Accessory Dwelling Units]Sponsors: Mar; Melgar, Safai and Chan Ordinance amending the Building Code to waive specified fees for certain accessory dwelling unit projects through June 30, 2023; requiring the Department of Building Inspection to annually report on such waivers; and affirming the Planning Department’s determination under the California Environmental Quality Act. (Fiscal Impact; 1/15/2021 - Pending Economic Impact Review)

Please let us know if you have any questions.

Thank you,

Lauren

Lauren Chung 鍾洛藍 | Legislative Aide
Office of District 11 **Supervisor Ahsha Safai**
1 Dr. Carlton B. Goodlett Pl, San Francisco | Room 256
Direct: 415-554-7910 | **Office:** 415-554-6975

From: [Ozzie Rohm](#)
To: [Wong, Linda \(BOS\)](#)
Cc: [Lovett, Li \(BOS\)](#)
Subject: Letter in Support of Supervisor Mar's Waiver for ADUs
Date: Wednesday, February 17, 2021 1:01:54 PM
Attachments: [Letter in Support of Supervisor Mar's ADU Ordinance.pdf](#)

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Ms. Wong,

Please see the attached letter in support of Supervisor Mar's ordinance for waiving ADU fees that I am sending you on behalf of San Francisco Land Use Coalition.

Sincerely,

Ozzie Rohm
For San Francisco Land Use Coalition



SAN FRANCISCO LAND USE COALITION

Feb 15, 2021

Dear Supervisor Mar,

On behalf of San Francisco Land Use Coalition, I am writing to express our support for your proposed ordinance to waive certain fees for Accessory Dwelling Unit (ADU) projects on lots containing single-family homes.

For too long, the ADU construction projects have been mostly undertaken by LLCs and businesses that have the means to pay for them regardless of the costs. This ordinance will level the playing field for families with modest income who wish to carve out an in-law on their properties.

We also applaud the reporting requirements that you have mandated in this ordinance and we look forward to the hard data and facts about ADUs that these reports will unveil.

Sincerely,

Ozzie Rohm

For San Francisco Land Use Coalition

From: [Tom Limon](#)
To: [Wong, Linda \(BOS\)](#)
Subject: Fwd: Letter of Support - Item 7 ADU Fee Waivers
Date: Wednesday, February 17, 2021 11:47:16 AM
Attachments: [Casita Letter of Support - Fee Waiver -SF Supervisors 021721_.pdf](#)

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Ms. Wong - I initially sent this to your wrong email address, please see the message below and the attached letter of support for Item 7 of the Budget & Finance Committee.

Tom Limon

----- Forwarded message -----

From: **Tom Limon** <tom@casitacoalition.org>
Date: Wed, Feb 17, 2021 at 11:14 AM
Subject: Letter of Support - Item 7 ADU Fee Waivers
To: <lwong@sfgov.org>
Cc: <Matt.Haney@sfgov.org>, <Gordon.Mar@sfgov.org>, <Ahsha.Safai@sfgov.org>

Dear Ms. Wong & Supervisors Haney, Safai, and Mar

Please accept our letter of support for Item 7 of today's Budget and Finance Committee Meeting, in Support of the Fee Waiver for Accessory Dwelling Units as a vital element to promote additional housing in San Francisco.

Thank you!

--

Tom Limon
Executive Director
Cell: 510-333-2846

[CasitaCoalition.org](#)



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Tom Limon
Executive Director
[CasitaCoalition.org](#)



Via Email

Clerk Linda Wong linda.wong@sfgov.org

February 17, 2021

San Francisco Board of Supervisors
Budget & Finance Committee

**Subject: Item 7 – SF Board of Supervisors’ Budget & Finance Committee
Support for Fee Waiver for Accessory Dwelling Units (ADUs)**

Dear Supervisors Haney, Safai, and Mar

On behalf of the Casita Coalition, we are writing to express our full support of the proposed Ordinance amending the Building Code to waive specified fees for certain Accessory Dwelling Unit (ADU) projects through June 30, 2023

The Casita Coalition is a group of housing practitioners, housing advocates, and policy researchers, many of whom have had long careers as local planners and building department officials, developers, affordable and market-rate developers, lenders, realtors, architects, and contractors. We formed this statewide coalition to highlight the importance of ADUs as a critical tool to mitigate the current housing crisis as a gentle form of infill, often invisible, that improves housing choices, inclusion, equity, and environmental outcomes without public subsidy.

With this Ordinance, we believe that these ADUs could support a variety of users – for example, an elderly long-term resident of your City could build an ADU to age in place with dignity while having a family member nearby; an ADU could provide housing for an essential worker; an ADU could provide the additional income needed to supplement a household income and prevent lender defaults and foreclosures during challenging economic times. These are just a few examples of what we have seen statewide and the power of ADUs. Studies by the UCB Turner Center have documented that ADUs are more affordable than market rate housing options and improve the economic diversity of neighborhoods by including more renters and people who would otherwise be priced out. Turner Center has also documented that high costs, including costs imposed as up front fees for permitting and utilities, are prohibitively expensive for many homeowners, especially those who are house rich and cash poor. We believe the proposed ordinance will reduce costs and eliminate some of these price barriers.

The Casita Coalition has created partnerships with the State of California’s Housing and Community Development Agency, Association of Bay Area Governments, Southern California Association of Governments, The California Planning Roundtable, SPUR, Build It Green, and many others to help promote best practices statewide, as well as serve as a trusted voice in this housing form. With the passage and success of this Ordinance, we will be able to highlight this Fee Waiver Ordinance as a best practice to other regions and municipalities, as we are seeking ways to remove barriers for homeowners to build ADUs, and waiving permit and inspection fees will most definitely help promote additional housing in other communities.

Sincerely,

Denise Pinkston
Board Chair & Founder

Tom Limon
Executive Director

cc: Supervisors Haney, Safai, and Mar