

File No. 130549

Committee Item No. 2

Board Item No. 1

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Land Use and Economic Development Date October 28, 2013

Board of Supervisors Meeting

Date NOVEMBER 19, 2013

Cmte Board

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Completed by: Alisa Miller Date October 25, 2013

Completed by: Alisa Miller Date October 31, 2013

1 [Planning Code - Controller's Reports]

2
3 **Ordinance amending the Planning Code to modify when the Controller is required to**
4 **issue various reports; and making environmental findings, and findings of consistency**
5 **with the General Plan.**

6 NOTE: Additions are *single-underline italics Times New Roman*;
7 deletions are *strike through italics Times New Roman*.
8 Board amendment additions are double-underlined;
9 Board amendment deletions are ~~strikethrough normal~~.

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

11
12 Section 1. Findings.

13 (a) Pursuant to Planning Code Section 302, this Board of Supervisors finds that this
14 Ordinance will serve the public necessity, convenience, and welfare for the reasons set forth
15 in Planning Commission Resolution No. 18935, and incorporates those reasons herein by
16 reference. A copy of said Planning Commission Resolution is on file with the Clerk of the
17 Board of Supervisors in File No. 130549.

18 (b) The Board of Supervisors finds that this Ordinance is, on balance, consistent with
19 the General Plan and the Priority Policies of Planning Code Section 101.1(b) for the reasons
20 set forth in Planning Commission Resolution No. 18935, and incorporates those reasons
21 herein by reference.

22 (c) The Planning Department has determined that the actions contemplated in this
23 ordinance comply with the California Environmental Quality Act (California Public Resources
24 Code Section 21000 et seq.). Said determination is on file with the Clerk of the Board of
25 Supervisors in File No. 130549 and is incorporated herein by reference.

1 Section 2. The Planning Code is hereby amended by amending Sections 409, 413.6,
2 415.5, 418.5, 418.7, 420.6, 421.5, 422.5, 423.5, and 424.5, to read as follows:

3 **SEC. 409. ~~ANNUAL~~ CITYWIDE DEVELOPMENT FEE REPORTING REQUIREMENTS AND**
4 **COST INFLATION FEE ADJUSTMENTS.**

5 (a) *Annual* Citywide Development Fee and Development Impact Requirements
6 **Report.** In coordination with the Development Fee Collection Unit at DBI and the Planning
7 Director, the Controller shall issue a report within 180 days after the end of each
8 even-numbered year fiscal year, that provides information on all development fees established
9 in the San Francisco Planning Code collected during the prior two fiscal years ~~year~~
10 by development fee account and all cumulative monies collected over the life of each
11 development fee account, as well as all monies expended. The report shall also provide
12 information on the number of projects that elected to satisfy development impact requirements
13 through the provision of "in-kind" physical improvements, including on-site and off-site BMR
14 units, instead of paying development fees. The report shall also include any annual reporting
15 information otherwise required pursuant to the California Mitigation Fee Act, Government
16 Code 66001 *et seq.* The report shall be presented by the Planning Director to the Planning
17 Commission and to the Land Use & Economic Development Committee of the Board of
18 Supervisors. The Report shall also contain information on the Controller's annual construction
19 cost inflation adjustments to development fees described in subsection (b) below, as well as
20 information on MOH's separate adjustment of the Jobs-Housing Linkage and Inclusionary
21 Affordable Housing fees described in Sections 413.6(b) and 415.5(b)(3).

22 (b) **Annual Development Fee Infrastructure Construction Cost Inflation**
23 **Adjustments.** Prior to issuance of the *Annual* Citywide Development Fee and Development
24 Impact Requirements Report referenced in subsection (a) above, the Controller shall review
25 the amount of each development fee established in the San Francisco Planning Code and,

1 with the exception of the Jobs-Housing Linkage Fee in Section 413 *et seq.* and the
2 Inclusionary Affordable Housing Fee in Section 415 *et seq.*, shall adjust the dollar amount of
3 any development fee on an annual basis every January 1 based solely on the Annual
4 Infrastructure Construction Cost Inflation Estimate published by the Office of the City
5 Administrator's Capital Planning Group and approved by the City's Capital Planning
6 Committee no later than November 1 every year, without further action by the Board of
7 Supervisors. The Annual Infrastructure Construction Cost Inflation Estimate shall be updated
8 by the Capital Planning Group on an annual basis and no later November 1 every year, in
9 consultation with the Capital Planning Committee, in order to establish a reasonable estimate
10 of construction cost inflation for the next calendar year for a mix of public infrastructure and
11 facilities in San Francisco. The Capital Planning Group may rely on past construction cost
12 inflation data, market trends and a variety of national, state and local commercial and
13 institutional construction cost inflation indices in developing their annual estimates for San
14 Francisco. The Planning Department and the Development Fee Collection Unit at DBI shall
15 provide notice of the Controller's development fee adjustments, including the Annual
16 Infrastructure Construction Cost Inflation Estimate formula used to calculate the adjustment,
17 and MOH's separate adjustment of the Jobs-Housing Linkage and Inclusionary Affordable
18 Housing Fees on the Planning Department and DBI website and to any interested party who
19 has requested such notice at least 30 days prior to the adjustment taking effect each
20 January 1. The Jobs-Housing Linkage Fee and the Inclusionary Affordable Housing fees shall
21 be adjusted under the procedures established in Sections 413.6(b) and 415.5(b)(3).

22
23 **SEC. 413.6. COMPLIANCE BY PAYMENT OF IN-LIEU FEE.**

24 (a) The amount of the fee which may be paid by the sponsor of a development project
25 subject to this Section in lieu of developing and providing the housing required by

1 Section 413.5 shall be determined by the following formulas for each type of space proposed
2 as part of the development project and subject to this Article.

3 * * * *

4 ~~Commencing on January 1, 2012, no~~ No later than January 1 of each year, MOH shall
5 adjust the in-lieu fee payment option. No later than November 1 of each year, MOH shall
6 provide the Planning Department, DBI, and the Controller with information on the adjustment
7 to the in-lieu fee payment option so that it can be included in the Planning Department's and
8 DBI's website notice of the fee adjustments and the Controller's ~~Annual~~ Citywide Development
9 Fee and Development Impact Requirements Report described in Section ~~409(a)~~ ~~409(b)~~. MOH
10 is authorized to develop an appropriate methodology for indexing the fee, based on
11 adjustments in the costs of constructing housing and in the price of housing in San Francisco
12 consistent with the indexing for the Residential Inclusionary Affordable Housing Program in
13 lieu fee set out in Section 415.6. The method of indexing shall be published in the Procedures
14 Manual for the Residential Inclusionary Affordable Housing Program. In making a
15 determination as to the amount of the fee to be paid, the Department shall credit to the
16 sponsor any excess Interim Guideline credits or excess credits which the sponsor elects to
17 apply against its housing requirement.

18 * * * *

19
20 **SEC. 415.5. AFFORDABLE HOUSING FEE.**

21 Except as provided in Section 415.5(g), all development projects subject to this
22 Program shall be required to pay an Affordable Housing Fee subject to the following
23 requirements:

24 (a) **Payment of a Fee.** Payment of a fee to the Development Collection Unit at DBI for
25 deposit into the Citywide Affordable Housing Fund for the purposes of that Fund.

1 (b) **Amount of Fee.** The amount of the fee which may be paid by the project sponsor
2 subject to this Program shall be determined by MOH utilizing the following factors:

3 (1) The number of units equivalent to the applicable percentage of the number
4 of units in the principal project. The applicable percentage shall be 20 percent or the
5 percentage that applied to the project if the project is subject to the requirements of an earlier
6 version of this Program due to the date it submitted its application. For the purposes of this
7 Section, the City shall calculate the fee using the direct fractional result of the total number of
8 units multiplied by the applicable percentage, rather than rounding up the resulting figure as
9 required by Section 415.6(a).

10 (2) The affordability gap using data on the cost of construction of residential
11 housing from the "San Francisco Sensitivity Analysis Summary Report: Inclusionary Housing
12 Program" prepared by Keyser Marston Associates, Inc. in August 2006 for the Maximum
13 Annual Rent or Maximum Purchase Price for the equivalent unit sizes. The Department and
14 MOH shall update the technical report from time to time as they deem appropriate in order to
15 ensure that the affordability gap remains current.

16 (3) ~~Commencing on January 1, 2012, no~~ No later than January 1 of each year,
17 MOH shall adjust the fee. No later than November 1 of each year, MOH shall provide the
18 Planning Department, DBI, and the Controller with information on the adjustment to the fee so
19 that it can be included in the Planning Department's and DBI's website notice of the fee
20 adjustments and the Controller's ~~Annual~~ Citywide Development Fee and Development Impact
21 Requirements Report described in Section ~~409(a) 409(b)~~. MOH is authorized to develop an
22 appropriate methodology for indexing the fee, based on adjustments in the costs of
23 constructing housing and in the price of housing in San Francisco. The method of indexing
24 shall be published in the Procedures Manual.

25 * * * *

1 **SEC. 418.5. RINCON HILL COMMUNITY IMPROVEMENTS FUND.**

2 (a) There is hereby established a separate fund set aside for a special purpose entitled
3 the Rincon Hill Community Improvements Fund ("Fund"). All monies collected by the
4 Development Fee Collection Unit at DBI pursuant to Section 418.3(e) shall be deposited in a
5 special fund maintained by the Controller. The receipts in the Fund are hereby appropriated
6 in accordance with law to be used solely to fund public infrastructure subject to the conditions
7 of this Section.

8 * * * *

9 (c) The Controller's Office shall file ~~an annual~~ a report with the Board of Supervisors in
10 even-numbered years beginning one year after the effective date of Section 418.1 et seq., which report
11 shall set forth the amount of money collected in the Fund. The Fund shall be administered by
12 the Planning Commission.

13 * * * *

14
15 **SEC. 418.7. SOMA COMMUNITY STABILIZATION FUND.**

16 (a) There is hereby established a separate fund set aside for a special purpose entitled
17 the SOMA Community Stabilization Fund ("Fund"). All monies collected by DBI pursuant to
18 Section 419.3 shall be deposited in a special fund maintained by the Controller. The receipts
19 in the Fund are hereby appropriated in accordance with law to be used solely to address the
20 effects of destabilization on residents and businesses in SOMA subject to the conditions of
21 this Section.

22 * * * *

23 (c) The Controller's Office shall file ~~an annual~~ a report with the Board of Supervisors in
24 even-numbered years beginning one year after the effective date of Section 418.1 et seq., which report
25 shall set forth the amount of money collected in the Fund. The Fund shall be administered

1 and expended by MOCD, but all expenditures shall first be approved by the Board of
2 Supervisors through the legislative process. In approving expenditures from the Fund, MOCD
3 and the Board of Supervisors shall accept any comments from the Community Advisory
4 Committee, the public, and any relevant City departments or offices. Before approving any
5 expenditures, the Board of Supervisors shall determine the relative impact from the
6 development in the Rincon Hill Plan Area on the areas described in Section 418.7(b) and shall
7 insure that the expenditures are consistent with mitigating the impacts from the development.

8 * * * *

9
10 **SEC. 420.6. VISITACION VALLEY COMMUNITY FACILITIES AND INFRASTRUCTURE**
11 **FUND.**

12 (a) There is hereby established a separate fund set aside for a special purpose entitled
13 the Visitation Valley Community Facilities and Infrastructure Fund ("Fund"). All monies
14 collected by DBI pursuant to Section 420.3(b) shall be deposited in the Fund which shall be
15 maintained by the Controller.

16 * * * *

17 (g) The Controller's Office shall file ~~an annual a~~ report with the Board of Supervisors *in*
18 ~~even-numbered years beginning one year after the effective date of Section 420.1 et seq.~~, which report
19 shall set forth the amount of money collected in the Fund.

20
21 **SEC. 421.5. MARKET AND OCTAVIA COMMUNITY IMPROVEMENTS FUND.**

22 (a) There is hereby established a separate fund set aside for a special purpose entitled
23 the Market and Octavia Community Improvements Fund ("Fund"). All monies collected by
24 DBI pursuant to Section 421.3(b) shall be deposited in a special fund maintained by the
25

1 Controller. The receipts in the Fund to be used solely to fund community improvements
2 subject to the conditions of this Section.

3 * * * *

4 (c) With full participation by the Planning Department and related implementing
5 agencies the Controller's Office shall file ~~an annual~~ a report with the Board of Supervisors in
6 even-numbered years beginning 180 days after the last day of the fiscal year of the effective date of
7 Section 421.1 et seq., which report shall include the following elements: (1) a description of the
8 type of fee in each account or fund; (2) amount ~~Amount~~ of the fee; (3) beginning ~~Beginning~~ and
9 ending balance of the accounts or funds including any bond funds held by an outside trustee;
10 (4) amount ~~Amount~~ of fees collected and interest earned; (5) identification ~~Identification~~ of each
11 public improvement on which fees or bond funds were expended and amount of each
12 expenditure; (6) an ~~An~~ identification of the approximate date by which the construction of
13 public improvements will commence; (7) a ~~A~~ description of any inter-fund transfer or loan and
14 the public improvement on which the transferred funds will be expended; and (8) Amount of
15 refunds made and any allocations of unexpended fees that are not refunded.

16 * * * *

17
18 **SEC. 422.5. BALBOA PARK COMMUNITY IMPROVEMENTS FUND.**

19 (a) There is hereby established a separate fund set aside for a special purpose entitled
20 the Balboa Park Community Improvements Fund ("Fund"). All monies collected by the
21 Development Fee Collection Unit at DBI pursuant to Section 422.3 shall be deposited in a
22 special fund maintained by the Controller. The receipts in the Fund to be used solely to fund
23 community improvements subject to the conditions of this Section.

24 * * * *

1 (d) With full participation by the Department and related implementing agencies, the
2 Controller's Office shall file a report with the Board of Supervisors in even-numbered years,
3 which report beginning 180 days after the last day of the fiscal year of the effective date of Section
4 422.1 et seq. that shall include the following elements: (1) a description of the type of fee in
5 each account or fund; (2) beginning and ending balance of the accounts or funds including
6 any bond funds held by an outside trustee; (3) amount of fees collected and interest earned;
7 (4) identification of each public improvement on which fees or bond funds were expended and
8 amount of each expenditure; (5) an identification of the approximate date by which the
9 construction of public improvements will commence; (6) a description of any inter-fund
10 transfer or loan and the public improvement on which the transferred funds will be expended;
11 and (7) amount of refunds made and any allocations of unexpended fees that are not
12 refunded.

13 * * * *

14
15 **SEC. 423.5. THE EASTERN NEIGHBORHOODS PUBLIC BENEFITS FUND.**

16 (a) There is hereby established a separate fund set aside for a special purpose entitled
17 the Eastern Neighborhoods Public Benefits Fund ("Fund"). All monies collected by the
18 Development Fee Collection Unit at DBI pursuant to Section 423.3(b) shall be deposited in a
19 special fund maintained by the Controller. The receipts in the Fund to be used solely to fund
20 Public Benefits subject to the conditions of this Section.

21 * * * *

22 (d) With full participation by the Planning Department and related implementing
23 agencies, the Controller's Office shall file a report with the Board of Supervisors in
24 even-numbered years, which report beginning 180 days after the last day of the fiscal year of the
25 effective date of Section 423.1 et seq. that shall include the following elements: (1) a description of

1 the type of fee in each account or fund; (2) amount of fee collected; (3) beginning and ending
2 balance of the accounts or funds including any bond funds held by an outside trustee; (4)
3 amount of fees collected and interest earned; (5) identification of each public improvement on
4 which fees or bond funds were expended and amount of each expenditure; (6) an
5 identification of the approximate date by which the construction of public improvements will
6 commence; (7) a description of any interfund transfer or loan and the public improvement on
7 which the transferred funds will be expended; and (8) amount of refunds made and any
8 allocations of unexpended fees that are not refunded.

9 * * * *

10
11 **SEC. 424.5. VAN NESS AND MARKET DOWNTOWN RESIDENTIAL SPECIAL USE**
12 **DISTRICT INFRASTRUCTURE FUND.**

13 (a) There is hereby established a separate fund set aside for a special purpose entitled
14 the Van Ness and Market Neighborhood Infrastructure Fund ("Fund"). That portion of gross
15 floor area subject to the \$15.00 per gross square foot fee referenced in Section 424.3(b)(ii)
16 above shall be deposited into the Van Ness and Market Neighborhood Infrastructure Fund
17 deposited in the Fund, which shall be maintained by the Controller. The receipts of the Fund
18 are hereby appropriated in accordance with law to be used solely to fund public infrastructure
19 subject to the following conditions:

20 (1) ~~(7)~~ All monies deposited in the Fund, plus accrued interest, shall be used
21 solely to design, engineer, acquire and develop neighborhood open spaces and streetscape
22 improvements that result in new publicly-accessible facilities within the Van Ness and Market
23 Downtown Residential Special Use District or the area bounded by 10th Street, Howard
24 Street, South Van Ness Avenue, the northeastern line of the Central Freeway, Market Street,
25 Franklin Street, Hayes Street, and Polk Street. These improvements shall be consistent with

1 the Market and Octavia Area Plan of the General Plan and any Plan that is approved by the
2 Board of Supervisors in the future for the area covered by the Van Ness and Market
3 Downtown Residential Special Use District, except that monies from the Fund may be used by
4 the Planning Commission to commission studies to revise the fee above, or to commission
5 landscape, architectural or other planning, design and engineering services in support of the
6 proposed public improvements.

7 ~~(2) (ii)~~ No portion of the Fund may be used, by way of loan or otherwise, to pay
8 any administrative, general overhead, or similar expense of any public entity.

9 ~~(3) (iii)~~ The Controller's Office shall file *an annual* a report with the Board of
10 Supervisors *in even-numbered years by the end of the City's fiscal year*, which report shall set forth
11 the amount of money collected in the Fund. Monies in the Fund shall be appropriated by the
12 Board of Supervisors and administered by the Director of Planning.

13 ~~(4) (iv)~~ At the close of a fiscal year in which the Market and Octavia Community
14 Improvements Program has generated funding for no less than \$211 million of expenditures in
15 the plan area, including revenue generated through this Section 424.1 *et seq.*, Section 421
16 fee payments, in-kind improvements, public grants, San Francisco general funds, assessment
17 districts, and other sources which contribute to the overall programming, all future funds
18 generated through Section 424.1 *et seq.* shall be redirected one hundred (100) percent to the
19 Citywide Affordable Housing Fund.

20 ~~(5) (v)~~ Expenditure of funds shall be coordinated with appropriate City agencies
21 as detailed in Section 421.5(d) and (e).

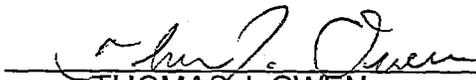
22 ~~(6) (vi)~~ The Director shall have the authority to prescribe rules and regulations
23 governing the Fund, which are consistent with Section 424.1 *et seq.* The Director shall make
24 recommendations to the Board regarding allocation of funds.

1 Section 3. Effective Date. This ordinance shall become effective 30 days from the
2 date of passage.

3
4 Section 4. This section is uncodified. In enacting this Ordinance, the Board intends to
5 amend only those words, phrases, paragraphs, subsections, sections, articles, numbers,
6 punctuation, charts, diagrams, or any other constituent part of the Planning Code that are
7 explicitly shown in this legislation as additions, deletions, Board amendment additions, and
8 Board amendment deletions in accordance with the "Note" that appears under the official title
9 of the legislation.

10
11 APPROVED AS TO FORM:
12 DENNIS J. HERRERA, City Attorney

13
14 By:


15 THOMAS J. OWEN
16 Deputy City Attorney

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19
20
21
22
23 n:\govern\as2013\1300345\00844206.doc

LEGISLATIVE DIGEST

[Planning Code - Controller's Reports]

Ordinance amending the Planning Code to modify when the Controller is required to issue various reports; and making environmental findings, and findings of consistency with the General Plan.

Existing Law

The Planning Code specifies when the Controller shall issue various reports and studies.

Amendments to Current Law

The proposal is an ordinance that would amend the Planning Code to update when and how often the Controller would issue particular reports and studies.

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

June 11, 2013

File No. 130549

Sarah Jones
Environmental Review Officer
Planning Department
1650 Mission Street, 4th Floor
San Francisco, CA 94103

Dear Ms. Jones:

On June 4, 2013, Mayor Lee introduced the following proposed legislation:

File No. 130549

Ordinance amending the Planning Code to modify when the Controller is required to issue various reports and making environmental findings, and findings of consistency with General Plan.

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

Victor Young

By: Victor Young, Committee Clerk
Budget and Finance Committee

Attachment

c: Monica Pereira, Environmental Planning
Joy Navarrete, Environmental Planning

*Non-physical exemption
CEQA Section 15060(c)(2)*

*JONES June 13, 2013
JOY NAVARRETE*



SAN FRANCISCO PLANNING DEPARTMENT

August 6, 2013

The Honorable Mayor Edwin M. Lee
City and County of San Francisco
City Hall, Room 200
Ms. Angela Calvillo, Clerk
Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Re: Transmittal of Planning Department Case Number 2013.0859T
Frequency of the Controller's Development Impact Fee Report
Board File No. 130549
Planning Commission Recommendation: Approval

Dear Mayor Lee and Ms. Calvillo,

On August 1, 2013, the Planning Commission conducted a duly noticed public hearing at regularly scheduled meeting to consider the proposed Ordinance, introduced by Mayor Lee that would amend the Planning Code to modify when the City Controller is required to issue the Development Impact Fee Report. At the hearing, the Planning Commission recommended approval.

The proposed amendment to the Planning Code was found to be categorically exempt from environmental review under the California Environmental Quality Act Section 15060(c)(2).

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:

Jason Elliott, Director of Legislative and Government Affairs, Mayor's Office
Thomas J. Owen, Deputy City Attorney, City Attorney's Office
Alisa Miller, Assistant Clerk, Office of the Clerk of the Board

Attachments

Planning Commission Resolution No. 18935
Planning Department Executive Summary

www.sfplanning.org



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Resolution No. 18935

HEARING DATE: AUGUST 1, 2013

Project Name: Frequency of the Controller's Development Impact Fee Report
Case Number: 2013.0859T [Board File No. 130549]
Initiated by: Mayor Edwin Lee/ Introduced June 4, 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**

1650 Mission St.
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Information:
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RECOMMENDING THAT THE BOARD OF SUPERVISORS ADOPT A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE TO MODIFY WHEN THE CITY CONTROLLER IS REQUIRED TO ISSUE THE DEVELOPMENT IMPACT FEE REPORT AND MAKING ENVIRONMENTAL FINDINGS AND FINDINGS OF CONSISTENCY WITH GENERAL PLAN

PREAMBLE

Whereas, on June 4, 2013, Mayor Edwin Lee introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 130549, which would amend the Planning Code to modify when the City Controller is required to issue the Development Impact Fee Report (hereinafter DIFR); and

Whereas, on August 1, 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 has been determined to be categorically exempt from environmental review under the California Environmental Quality Act, Non-Physical Exemption, Section 15060(c)(2); 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 on behalf of the applicant, 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

www.sfplanning.org

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

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. The proposed Ordinance will sync the Controller's Development Impact Fee Report with the City's two-year budget cycle.
 2. The Planning Commission will still be updated on the collection and distribution of Development Impact Fees on an annual basis through the Interagency Plan Implementation Committee's annual report.
1. The proposed project is 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 not have an adverse effect on neighborhood-serving businesses.
 - 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 not displace existing housing nor will it have any effect on existing neighborhood character.
 - C) The City's supply of affordable housing will be preserved and enhanced:

The proposed Ordinance will not adversely affect the City's supply of affordable housing. The Planning Commission will still be informed about on- and off-site affordable units and in-lieu fees on an annual basis through the Interagency Plan Implementation Committee's annual report.
 - 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 not adversely affect the industrial or service sectors or future opportunities for resident employment or ownership in these sectors.

- F) The City will achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.

Preparedness against injury and loss of life in an earthquake is unaffected by the proposed Ordinance. Any new construction or alteration associated with this Ordinance would be executed in compliance with all applicable construction and safety measures.

- G) That landmark and historic buildings will be preserved:

Landmarks and historic buildings would be unaffected by the proposed Ordinance.

- H) Parks and open space and their access to sunlight and vistas will be protected from development:

The City's parks and open space and their access to sunlight and vistas would be unaffected by the proposed Ordinance. It is not anticipated that permits would be such that sunlight access, to public or private property, would be adversely impacted.

I hereby certify that the Planning Commission ADOPTED the foregoing Resolution on August 1, 2013.

Jonas P Ionin
Acting Commission Secretary

AYES: Commissioner Antonini, Borden, Fong, Moore, Sugaya and Wu

NAYS: none

ABSENT: Commissioner Hillis

ADOPTED: August 1, 2013



SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary Planning Code Text Change HEARING DATE: AUGUST 1, 2013

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: Frequency of Controller's Development Impact Fee Report
Case Number: 2013.0859T [Board File No. 130549]
Initiated by: Mayor Edwin Lee/ Introduced June 4, 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**

PLANNING CODE AMENDMENT

The proposed Ordinance would amend the Planning Code to modify when the City Controller is required to issue the Development Impact Fee Report (hereinafter DIFR) and making environmental findings and findings of consistency with General Plan.

The Way It Is Now:

- Planning Code requires that the Controller to issue a DIFR every year. The DIFR gives a detailed accounting of what Development Impact Fees (hereinafter DIF) have been collected and how they have been spent.
- The Administrative Code requires the Interagency Plan Implementation Committee (hereinafter IPIC) to issue an Annual Report that details the status of how and where DIFs are being spent and upcoming projects.

The Way It Would Be:

The proposed legislation would:

- Amend the Planning Code so that the Controller's office would issue the DIFR every two years instead of every year.
- No changes will be made to the IPIC reporting schedule, which will continue to issue its report and present those finding to the Commission on an annual basis.

ISSUES AND CONSIDERATIONS

Development Impact Fees

Development Impact Fees are legislated to fund infrastructure necessary to support new residents and employees. The City establishes a fee based on both the demand for new infrastructure and the ability for new development to afford fees without negatively impacting the City's housing supply or affordability. State enabling legislation prescribes collection and expenditure rules for impact fees. Below is a brief list of major considerations for impact fee expenditures in San Francisco:

- Projects must address the impacts of additional growth
- Allocations must equal the established proportions for each improvement type; this must 'true up' at the end of the five-year period
- Some funds may go towards pre-development costs, but should lead to actual construction.
- Cannot overspend (cumulative revenues must exceed cumulative costs at any given time)
- Funded infrastructure projects must be within the respective plan areas Eastern Neighborhoods impact fees have the following additional criteria:
 - 80% of must go towards Eastern Neighborhoods priority projects for the "Transportation" and "Open Space" funds until the priority projects within each respective fund are completed
 - The Priority Projects require matches from partnering Agencies per the MOU

Controller's Development Impact Fee Report

The Development Impact Fee Report provides information on all development fees established in the San Francisco Planning Code collected during the fiscal year organized by development fee account type and all cumulative monies collected over the life of each development fee account, as well as all monies expended. The report also provides information on the number of projects that elected to satisfy development impact requirements through the provision of "in-kind" physical improvements, including on-site and off-site BMR units, instead of paying development fees. The report includes annual reporting information required pursuant to the California Mitigation Fee Act. The report is presented by the Planning Director to the Planning Commission and to the Land Use & Economic Development Committee of the Board of Supervisors.

Interagency Plan Implementation Committee (IPIC)

In October of 2006, the Board of Supervisors passed legislation to formalize interagency coordination for Area Plan-identified community improvements through the establishment of the Interagency Plan Implementation Committee (IPIC) (Article 36 of the San Francisco Administrative Code). The IPIC was developed "to provide mechanisms that will enhance the participation in the preparation and implementation of the Community Improvements Plans and Implementation Programs by the various City departments, offices; and agencies that will be responsible for their implementation and provide a means by which the various parties interested in realization of the Community Improvements Plans and Implementation Programs can remain informed about and provide input to and support for their implementation."

The IPIC makes recommendations for Area Plans with respect to capital project implementation, funding and programming, intra-departmental collaboration, coordinates with the Area Plans' Citizen Advisory Committees (CACs), and produces this annual report. The IPIC is chaired by Planning Department and includes representatives from the Municipal Transportation Agency (MTA), Department of Public Works (DPW), Recreation and Parks Department (RPD), San Francisco County Transportation Authority (SFCTA), the Library, the Human Services Agency (HAS), and Capital Planning Committee, among other agencies.

The goals of the IPIC annual process include:

1. Identify all funding sources for infrastructure projects to serve the impacts of new growth in Area Plans.

2. Program expected revenues over 10 years, including revenue generated from development impact fees, so that priority plan area capital projects can be completed.

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 recommend *approval* of the proposed Ordinance

BASIS FOR RECOMMENDATION

The Controller's DIFR and the IPIC Annual Report are two side of the same coin. Where the DIFR provides a very detailed accounting of the collection and distribution for DIFs, the IPIC Annual Report provides a less technical status update on the fees collected, projects that have been completed, and projects that are being planned. Because the City is on a two year budget schedule and creating the DIFR is a very technical and time consuming report, the Controller's office suggested moving the DIFR two year reporting schedule rather than annually. The Commission will still be kept abreast of the fees collected, what projects are being funded and what projects are in the pipeline through the IPIC on an annual basis, but the Controller's accounting report would now be synced up with the City's budget process and done every two years (every even year) rather than annually.

ENVIRONMENTAL REVIEW

The proposal ordinance would result in no physical impact on the environment. The Project was determined to be exempt from the California Environmental Quality Act ("CEQA") under the Non-Physical Exemption (CEQA Guidelines Section 15060(c)(2)) as described in the determination contained in the Planning Department files for this Project.

PUBLIC COMMENT

As of the date of this report, the Planning Department has not received any comments about the proposed Ordinance.

RECOMMENDATION:	Recommendation of Approval
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Attachments:

- Exhibit A: Draft Planning Commission Resolution
- Exhibit B: Board of Supervisors File No. 130549

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

June 11, 2013

Planning Commission
Attn: Jonas Ionin
1660 Mission Street, 5th Floor
San Francisco, CA 94103

Dear Commissioners:

On June 4, 2013, Mayor Lee introduced the following proposed legislation:

File No. 130549

Ordinance amending the Planning Code to modify when the Controller is required to issue various reports and making environmental findings, and findings of consistency with General Plan.

The proposed ordinance is being transmitted pursuant to Planning Code Section 302(b) for public hearing and recommendation. The ordinance is pending before the Budget and Finance Commission and will be scheduled for hearing upon receipt of your response.

Angela Calvillo, Clerk of the Board

A handwritten signature in cursive script that reads "Victor Young".

By: Victor Young, Committee Clerk
Budget and Finance Committee

c: John Rahaim, Director of Planning
Scott Sanchez, Zoning Administrator
Sarah Jones, Chief, Major Environmental Analysis
AnMarie Rodgers, Legislative Affairs
Monica Pereira, Environmental Planning
Joy Navarrete, Environmental Planning

BOARD of SUPERVISORS



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TDD/TTY No. 554-5227

June 11, 2013

File No. 130549

Sarah Jones
Environmental Review Officer
Planning Department
1650 Mission Street, 4th Floor
San Francisco, CA 94103

Dear Ms. Jones:

On June 4, 2013, Mayor Lee introduced the following proposed legislation:

File No. 130549

Ordinance amending the Planning Code to modify when the Controller is required to issue various reports and making environmental findings, and findings of consistency with General Plan.

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

A handwritten signature in cursive script that reads "Victor Young".

By: Victor Young, Committee Clerk
Budget and Finance Committee

Attachment

c: Monica Pereira, Environmental Planning
Joy Navarrete, Environmental Planning

President, District 3
BOARD of SUPERVISORS



*Election by Orig LU clerk
BOS-11, Aides
COB, Leg Dep, Dep City
Attney
City Hall B/F clerk*

1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-7450
Fax No. 554-7454
TDD/TTY No. 544-5227

DAVID CHIU
邱信福
市參事會主席

PRESIDENTIAL ACTION

Date: 10/²⁴~~20~~/13
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. _____ (Primary Sponsor)
- Transferring (Board Rule No. 3.3)
File No. 130549 Mayor
(Primary Sponsor)

From: Budget & Finance Committee

To: Land Use & Economic Development Committee

- Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor _____

Replacing Supervisor _____

For: _____ Meeting
(Date) (Committee)

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David Chiu

David Chiu, President
Board of Supervisors

130719

OFFICE OF THE MAYOR
SAN FRANCISCO



EDWIN M. LEE
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: *ml* Mayor Edwin M. Lee *je*
RE: Planning Code – Controller's Reports
DATE: May 31, 2013

Attached for introduction to the Board of Supervisors is the ordinance amending the Planning Code to 1) modify when the Controller is required to issue various reports, and 2) making environmental findings and findings of consistency with General Plan.

I request that this item be calendared in Budget and Finance Committee.

Should you have any questions, please contact Jason Elliott (415) 554-5105.

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