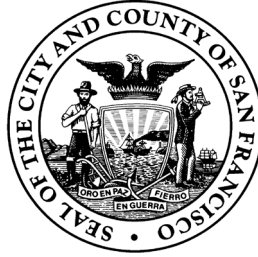


BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
Tel. No. (415) 554-5184
Fax No. (415) 554-5163
TDD/TTY No. (415) 554-5227

MEMORANDUM

TO: Katy Tang, Director
Small Business Commission, City Hall, Room 448

FROM: John Carroll, Assistant Clerk, Land Use and Transportation Committee

DATE: July 3, 2025

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS
Land Use and Transportation Committee

The Board of Supervisors' Land Use and Transportation Committee has received the following legislation, which is being referred to the Small Business Commission for comment and recommendation. The Commission may provide any response it deems appropriate within 12 days from the date of this referral.

File No. 250718

Ordinance amending the Planning and Building Codes to allow project sponsors to defer payment of certain fees for Accessory Dwelling Units; affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and making findings of public necessity, convenience, and welfare pursuant to Planning Code, Section 302.

Please return this cover sheet with the Commission's response to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c:
Office of Chair Melgar and Supervisor Engardio
Kerry Birnbach, Senior Policy Analyst/Commission Secretary

RESPONSE FROM SMALL BUSINESS COMMISSION - Date: _____

____ No Comment

____ Recommendation Attached

Chairperson, Small Business Commission

[Planning, Building Codes - Accessory Dwelling Unit Fee Deferral]

Ordinance amending the Planning and Building Codes to allow project sponsors to defer payment of certain fees for Accessory Dwelling Units; affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and making findings of public necessity, convenience, and welfare pursuant to Planning Code, Section 302.

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

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

Section 1. Environmental and Land Use Findings.

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

(b) On _____, the Planning Commission, in Resolution No. _____, adopted findings that the actions contemplated in this ordinance are consistent, on balance, with the City's General Plan and eight priority policies of Planning Code Section 101.1. The

1 Board adopts these findings as its own. A copy of said Resolution is on file with the Clerk of
2 the Board of Supervisors in File No. _____, and is incorporated herein by reference.

3 (c) Pursuant to Planning Code Section 302, this Board finds that these Planning Code
4 amendments will serve the public necessity, convenience, and welfare for the reasons set
5 forth in Planning Commission Resolution No. _____, and the Board adopts such
6 reasons as its own. A copy of said resolution is on file with the Clerk of the Board of
7 Supervisors in File No. _____ and is incorporated herein by reference.

8 (d) Pursuant to Charter Section 4.121 and Building Code Section 104A.2.11.1.1, the
9 Building Inspection Commission considered this ordinance at a duly noticed public hearing
10 held on _____ 2025.

11 (e) No local findings are required for this ordinance under California Health and Safety
12 Code Section 17958.7 because the amendments to the Building Code contained in this
13 ordinance do not regulate materials or manner of construction or repair, and instead relate in
14 their entirety to administrative procedures for implementing the code, which are expressly
15 excluded from the definition of a “building standard” by California Health and Safety Code
16 Section 18909(c).

17
18 Section 2. Article 3 of the Planning Code is hereby amended by revising Section 350,
19 to read as follows:

20
21 **SEC. 350. FEES.**

22 * * * *

23 **(j) Deferred or Reduced Fee; Fee Waivers.**

24 (1) Any fraternal, charitable, benevolent, or any other nonprofit organization,
25 that is exempt from taxation under the Internal Revenue laws of the United States and the

1 Revenue and Taxation Code of the State of California as a bona fide fraternal, charitable,
2 benevolent, or other nonprofit organization, or public entity, that submits an application for the
3 development of residential units all of which are affordable to low and moderate income
4 households, as defined by the United States Housing and Urban Development Department,
5 for a time period that is consistent with the policy of the Mayor's Office of Housing and
6 Community Development and the Successor to the San Francisco Redevelopment Agency,
7 may defer payment of the fees except those for discretionary review and appeals to the Board
8 of Supervisors until (A) before final Planning Department approval of the building permit,
9 preparatory to issuance of the building permit, before the building permit is released to the
10 applicant, or (B) within one year of the date of action on the application, whichever comes
11 first. This deferral provision shall apply notwithstanding the inclusion in the development of
12 other nonprofit ancillary or accessory uses. Should the project be withdrawn prior to final
13 Planning approval, the applicant shall pay time and material costs pursuant to Section 350(g).

14 (2) An exemption from paying the full fees specified for discretionary review or
15 appeals to the Board of Supervisors may be granted when the requestor's income is not
16 enough to pay for the fee without affecting their ability to pay for the necessities of life,
17 provided that they demonstrate to the Planning Director or the Director's designee that they
18 would be substantially affected by the proposed project.

19 (3) Certain of the fees charged in accordance with subsections (b) and (c) are
20 subject in some circumstances to waiver, as stated in Section 4 of Ordinance No. 149-16 in
21 Board of Supervisors File No. 160632, or as stated below in subsections (4) and (5). Description
22 of the waivers below does not affect the other waiver provisions in Section 4 of Ordinance No.
23 149-16.-

24 ~~(4) Small Business Month Fee Waivers~~: **Small Business Month Fee Waivers**. No
25 Planning Department fees shall apply to a Small Business that applies for a permit for awning

1 replacement or signs on awnings during the month of May. No Planning Department fees
2 shall apply to a Small Business that applies for a permit for a new awning installation or a
3 Business Sign pursuant to Section 604 during the months of May 2023 and May 2024. For
4 purposes of this subsection (j)(34), a Small Business shall be a business with a total workforce
5 of 100 or fewer fulltime employees. To the extent this provision for Small Business Month Fee
6 Waivers differs from the description in subsection (f) on page 43 of Ordinance No. 149-16, this
7 provision governs.

8 (5) Accessory Dwelling Units. Sponsors of Accessory Dwelling Unit projects may defer
9 payment of any fees required by this Section 350 until issuance of the First Certificate of Occupancy for
10 the project, as defined in Section 107A.13.1 of the San Francisco Building Code, or a date no later than
11 twenty-four months after approval of the First Construction Document, as defined in Section 107A.13.1
12 of the San Francisco Building Code, for said Accessory Dwelling Unit project, whichever is earlier.
13 This option to defer payment may be exercised by submitting a deferral request to the Department on a
14 form provided by the Department prior to issuance of the First Construction Document.

15 * * * *

16
17 Section 3. Chapter 1A of the Building Code, Section 107A, is hereby amended by
18 revising Section 107A.4, to read as follows:

19
20 ~~**107A.4 Expiration of plan review.** (See Section 106A.3.7.)~~

21 **107A.4 Accessory Dwelling Unit Administrative Fee Deferral Program.** The sponsor of an
22 Accessory Dwelling Unit project approved under Planning Code Sections 207.1 or 207.2 may elect to
23 defer payment of any fees required pursuant to Sections 107A.2, 107A.3, 107A.3.1, and 107A.3.4 to a
24 date no later than issuance of the First Certificate of Occupancy for the project, as defined in Section
25 107A.13.1, or a date no later than twenty-four months after approval of the First Construction

1 Document, as defined in Section 107A.13.1, for said Accessory Dwelling Unit project, whichever is
2 earlier. This option to defer payment may be exercised by submitting a deferral request to the
3 Department on a form provided by the Department prior to issuance of the First Construction
4 Document.

5
6 Section 4. Effective Date. This ordinance shall become effective 30 days after
7 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
8 ordinance unsigned or does not sign the ordinance within 10 days of receiving it, or the Board
9 of Supervisors overrides the Mayor's veto of the ordinance.

10
11 Section 5. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
12 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
13 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal
14 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment
15 additions, and Board amendment deletions in accordance with the "Note" that appears under
16 the official title of the ordinance.

17
18 APPROVED AS TO FORM:
19 DAVID CHIU, City Attorney

20 By: /s/ Peter Miljanich
21 PETER MILJANICH
22 Deputy City Attorney

23
24
25
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LEGISLATIVE DIGEST

[Planning, Building Codes - Accessory Dwelling Unit Fee Deferral]

Ordinance amending the Planning and Building Codes to allow project sponsors to defer payment of certain fees for Accessory Dwelling Units; affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and making findings of public necessity, convenience, and welfare pursuant to Planning Code, Section 302.

Existing Law

Planning Code Section 350 authorizes the Planning Department to charge administrative fees to compensate the Planning Department for the cost of processing applications and performing or providing other activities and services.

Building Code Sections 107A.2, 107A.3, 107A.3.1, and 107A.3.4 authorize the Department of Building Inspection to charge administrative fees to compensate DBI for the cost of processing applications and performing or providing other activities and services.

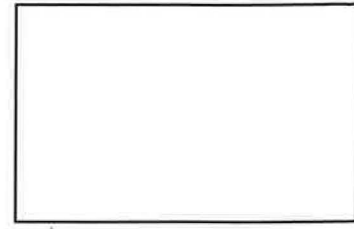
Amendments to Current Law

This ordinance would amend Planning Code Section 350, and add new Building Code Section 107A.4, to allow the sponsor of an Accessory Dwelling Unit project to defer payment of administrative fees to a date no later than issuance of the First Certificate of Occupancy for the project, or a date no later than twenty-four months after approval of the First Construction Document for the project, whichever is earlier. This option to defer payment would be exercised by submitting a deferral request to the Planning Department and DBI on a form provided by those departments prior to issuance of the First Construction Document for the project.

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Introduction Form

(by a Member of the Board of Supervisors or the Mayor)



I hereby submit the following item for introduction (select only one):

- ☒ 1. For reference to Committee (Ordinance, Resolution, Motion or Charter Amendment)
- ☐ 2. Request for next printed agenda (For Adoption Without Committee Reference)
(Routine, non-controversial and/or commendatory matters only)
- ☐ 3. Request for Hearing on a subject matter at Committee
- ☐ 4. Request for Letter beginning with "Supervisor _____ inquires..."
- ☐ 5. City Attorney Request
- ☐ 6. Call File No. _____ from Committee.
- ☐ 7. Budget and Legislative Analyst Request (attached written Motion)
- ☐ 8. Substitute Legislation File No. _____
- ☐ 9. Reactivate File No. _____
- ☐ 10. Topic submitted for Mayoral Appearance before the Board on _____

The proposed legislation should be forwarded to the following (please check all appropriate boxes):

- ☐ Small Business Commission ☐ Youth Commission ☐ Ethics Commission
- ☐ Planning Commission ☐ Building Inspection Commission ☐ Human Resources Department

General Plan Referral sent to the Planning Department (proposed legislation subject to Charter 4.105 & Admin 2A.53):

- ☐ Yes ☐ No

(Note: For Imperative Agenda items (a Resolution not on the printed agenda), use the Imperative Agenda Form.)

Sponsor(s):

Engardio

Subject:

Planning, Building Codes - Accessory Dwelling Unit Fee Deferral

Long Title or text listed:

Ordinance amending the Planning and Building Codes to allow project sponsors to defer payment of certain fees for Accessory Dwelling Units; affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and making findings of public necessity, convenience, and welfare pursuant to Planning Code, Section 302.

Signature of Sponsoring Supervisor: