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DATE: June 3, 2015
TO: San Francisco Board of Supervisors
FROM: DBI Director Tom C. Hui and Planning Director John S. Rahaim

Status Report:

Legalization of existing dwelling units constructed without permits in San Francisco after one year of implementation

Ordinance 43-14 was passed last year to amend Planning and Building Codes to allow building owners the opportunity to legalize existing dwelling units constructed without permits. Effective May 17, 2014, building owners voluntarily pursued legalization of their unauthorized dwelling unit at DBI's Unit Legalization Counter. A screening form and building permit with two sets of plans are required for DBI and Planning's approval. Since the initial 6-month report, the program's participation rate has doubled to more than 200 submitted screening forms to legalize illegal dwelling units.

DBI and Planning are continuing efforts to make information about this program readily available to the public. A webpage was created on the DBI's website for the Unit Legalization Program containing updates on the Information Sheet guidelines, Screening Form and FAQs handout related to the program. Throughout the year, DBI and Planning participated in town halls, fairs, and workshops to give presentations and answered questions about legalizing in-laws.

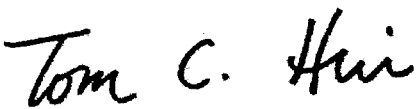
Due to the numbers of applicants' concern about the fire sprinkler requirements, the Building and Fire Department created an Information Sheet, FS-05. This Information Sheet establishes equivalencies on fire sprinkler requirement for adding or legalizing a unit within an existing building. Also, all unit legalization permits under Ordinance 43-14 are exempted from complying

Edwin M. Lee, Mayor
City & County of San Francisco

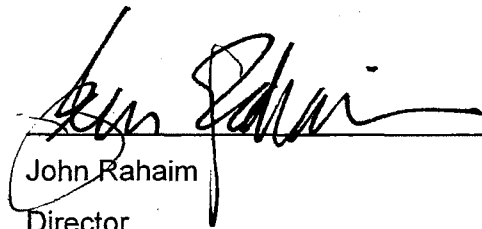
with the California Energy Code per California Historic Building Code. More equivalencies may be approved through pre-application meetings on a case-by-case basis. Similarly, for legalizing a unit, Planning has waived rear yard, parking, open space, and exposure requirements for the unit to be legalized.

Furthermore, in order to address customer questions about property tax assessments, a joint meeting with the Assessor was held to update language in the FAQ handout and Screening Form. In addition, a list of approved permits breaking down costs and permit fees was shared with the Assessor for analysis of any cost trend emerging with these legalization permits. Based upon the 34 approved permits at this first year anniversary, the estimated cost of construction ranged from \$10,000 to \$150,000, depending upon the scope of work. DBI permit fees averaged roughly \$1,540 per approved permit, while Planning permit fees averaged \$1647.00 per approved permit.

During this one-year period, DBI received over 2,100 enquiries, with a total of 227 submitted screening forms from owners to participate in the program. Of the 227 applicants in the program, 183 building permits were filed, out of which 34 were approved and 26 were issued. The remaining permits are currently in the review process. The street tree referral, which is issued by Department of Public Works (DPW), initially contributed to delay in the review process; however, the referral issuance time has been significantly reduced. The average review time within DBI is two months, while the average review time within Planning is two and half months. To encourage a speedier timeframe, staff informs applicants that after Planning staff approves the building permit, they may request over-the-counter review at DBI. Of the 34 approved permits, a quarter of the permits received DBI over-the-counter approval.



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**Attachment to the Status Report on
 Legalization of Dwelling Units Installed Without a Permit
 per Ordinance No. 43-14 for 1-Year Duration**

(A) Summary from 5/17/14 to 5/17/15:

	Total	Percentage	Comments
Number of enquiries about the program	2133	n/a	
Number of screening forms submitted	227	10.64%	
Number of permits submitted	183	80.62%	See Table (B & C) for details
Number of permits approved by Planning	62	33.88%	
Number of permits approved by DBI	35	19.13%	
Number of permits approved to be issued	8	4.37%	Pending owner's payment and pickup
Number of permits issued	26	14.21%	
Number of permits withdrawn	2	1.09%	
Number of permit applicants with Notices of Violation	32	17.49%	

(B) Information on submitted permits:

	Total	Percentage	Comments
Number of permits for R3 building converting from 1 unit to 2 units	119	65.03%	
Number of permits for R3 building converting to R2	34	18.58%	
Number of permits for R2 building	30	16.39%	

(C) Permits submitted by District:

	Total	Percentage	Comments
District 1	18	9.84%	
District 2	6	3.28%	
District 3	7	3.83%	
District 4	41	22.4%	
District 5	15	8.2%	
District 6	3	1.64%	
District 7	20	10.93%	
District 8	17	9.29%	
District 9	14	7.65%	
District 10	12	6.56%	
District 11	30	16.39%	