



SAN FRANCISCO PLANNING DEPARTMENT

December 28, 2010

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

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Suite 400
San Francisco,
CA 94103-2479

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Planning
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415.558.6377

Re: Transmittal of Planning Case Number 2010.1092T to the Board of Supervisors File No. 10-1523: Development Impact and In-Lieu Fees

Recommendation: THE PLANNING COMMISSION RECOMMENDS THAT THE BOARD OF SUPERVISORS ADOPT A PROPOSED ORDINANCE AMENDING THE SAN FRANCISCO PLANNING CODE TO AMEND MULTIPLE SECTIONS OF ARTICLE 4 TO CLARIFY LANGUAGE, ELIMINATE CONFUSION AS TO WHEN REQUIREMENTS MUST BE MET, INCREASE CONSISTENCY BETWEEN THE WAY IMPACT FEES ARE ADMINISTERED, CORRECT ERRORS IN CROSS-REFERENCING, AND AMEND SECTION 409 TO STREAMLINE THE PROCESS OF ADJUSTING IMPACT FEES TO REFLECT INFLATION.

Dear Ms. Calvillo,

On December 16, 2010, the San Francisco Planning Commission (hereinafter "PC") conducted a duly noticed public hearings at a regularly scheduled meeting to consider the proposed Ordinance. The proposed ordinance would amend Planning Code provisions for Development Impact and In-Lieu Fees.

At the December 16th hearing, the PC voted 7-0 to recommend that the Board of Supervisors (herinafter "The Board") adopt the Ordinance.

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

Sincerely,

A handwritten signature in blue ink, appearing to read 'AM-Rodgers'.

AnMarie Rodgers
Manager of Legislative Affairs

Attachments (one copy of the following):
Planning Commission Resolution No. 18240
Planning Department Executive Summary



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Resolution No. 18240

HEARING DATE: DECEMBER 16, 2010

Planning Code Amendment

HEARING DATE: DECEMBER 16, 2010

Project Name: **Development Impact and In-Lieu Fees**
Case Number: 2010.1092T
Initiated by: Mayor Newsom (BOS File No. 10-1523)
Initiated: December 7, 2010
Staff Contact: AnMarie Rodgers, Manager of Legislative Affairs
anmarie.rodgers@sfgov.org, (415) 558-6395
90-day Deadline: March 7, 2011

Recommendation: **Approval**

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APPROVING AMENDMENTS TO THE PLANNING CODE TO AMEND MULTIPLE SECTIONS OF ARTICLE 4 TO CLARIFY LANGUAGE, ELIMINATE CONFUSION AS TO WHEN REQUIREMENTS MUST BE MET, INCREASE CONSISTENCY BETWEEN THE WAY IMPACT FEES ARE ADMINISTERED, CORRECT ERRORS IN CROSS-REFERENCING, AND AMEND SECTION 409 TO STREAMLINE THE PROCESS OF ADJUSTING IMPACT FEES TO REFLECT INFLATION.

PREAMBLE

WHEREAS, Ordinance No. 108-10, adopted by the Board of Supervisors on May 17, 2010, moved those sections of the Code dealing with impact fees into a new Article 4 of the Planning Code; and

WHEREAS, the terminology used in the new Article 4 was not completely updated to create consistency across these sections; and

WHEREAS, this inconsistency creates ambiguity and makes the Code less easy to implement; and

WHEREAS, the proposed legislation is intended to resolve the aforementioned issues; and

WHEREAS, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on December 16, 2010; and

WHEREAS, the proposed Ordinance has been determined to be categorically exempt from environmental review under the California Environmental Quality Act Section Statutory Exemption 15273, Rates Tolls Fares and Charges; and

WHEREAS, the Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of 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:

MOVED,

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

I hereby certify that the foregoing Resolution was ADOPTED by the San Francisco Planning Commission on December 16, 2010.



Linda D. Avery
Commission Secretary

AYES: Miguel, Olague, Antonini, Borden, Fong, Moore, and Sugaya

NOES: ---

ABSENT: ---

DATE: December 16, 2010



SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary Planning Code Amendment

HEARING DATE: DECEMBER 16, 2010

Project Name: Development Impact and In-Lieu Fees
Case Number: 2010.1092T
Initiated by: Mayor Newsom (BOS File No. pending)
Initiated: December 7, 2010
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The action before the Commission is approval of code amendments introduced by the Mayor's Office on December 7, 2010.

CODE AMENDMENT

The proposed Ordinance amends multiple sections of Article 4 to clarify language, eliminate confusion as to when requirements must be met, increase consistency between the way impact fees are administered, and correct errors in cross-referencing. It also amends Section 409 to remove ambiguities regarding the process for adjusting impact fees to reflect inflation.

The Way It Is Now:

- City Ordinance 108-10 ("Development Impact and In-Lieu Fees") moved those sections of the Code dealing with impact fees into a new Article 4 of the Planning Code, and created a single set of definitions to apply to these sections. However, the terminology used in these sections was not completely updated to be consistent across these sections.
- The mechanism for updating the Annual Infrastructure Cost Inflation Adjustments (Section 409) currently contains ambiguity about how this process should occur – it is not clear if the Controller's Office can adjust impact fees or if a subsequent approval is needed.

The Way It Would Be:

- Sections of Article 4 amended to utilize consistent terminology, in keeping with language adopted as part of City Ordinance 108-10.
- Section 409 would be amended to clarify that the Annual Infrastructure Cost Inflation Adjustments to development fees authorized by the section can be implemented by the Controller's Office without further approval's necessary, and that this adjustment is based *solely*

on the Annual Infrastructure Construction Cost Inflation Estimate published by the Office of the City Administrator's Capital Planning Group.

- Section 409 would be further amended to provide that the Planning Director be included in the annual fee reporting process, and to make other technical amendments to simplify the annual fee reporting process and ensure that the Controller's Office and the Capital Planning Program coordinate their efforts.

REQUIRED COMMISSION ACTION

The proposed Resolution is before the Commission so that it may recommend approval or disapproval of Planning Code amendments.

RECOMMENDATION

The Department recommends that the Commission recommend *approval* of the proposed Ordinance and adopt the attached Draft Resolution to that effect.

BASIS FOR RECOMMENDATION

The majority of these changes are technical corrections that improve the readability and ease of application of the Code. With regards to the change to Section 409, these are at the request of the Controller's Office, which was concerned about the ambiguity in the existing legislation. The clarification supports the simplification of the process of updating impact fees, and provides more certainty that these adjustments will happen in a reasonable and timely fashion.

ENVIRONMENTAL REVIEW

The proposal to amend the Planning Code would result in no physical impact on the environment. The proposed amendment is exempt from environmental review under Section 15060(c)(2) of the CEQA Guidelines.

PUBLIC COMMENT

As of the date of this report, the Planning Department has received no letters regarding this legislation.

RECOMMENDATION: Approval
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Attachments

- Exhibit A: Draft Planning Commission Resolution to approve the Draft Ordinance
Exhibit B: Draft Ordinance