

File No. 156571

Committee Item No. 7

Board Item No. 28

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date June 22, 2015

Board of Supervisors Meeting

Date July 21, 2015

Cmte Board

- | | | |
|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Ordinance |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER (Use back side if additional space is needed)

<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____

Completed by: Linda Wong Date June 18, 2015

Completed by: Linda Wong Date July 9, 2015

FILE NO. 150571

1 [Planning, Building Codes - Fee Waiver for Legalization of Secondary Dwelling Units]

2
3 **Ordinance amending the Planning and Building Codes to waive fees related to granting**
4 **legal status to existing dwelling units constructed without required permits; and**
5 **affirming the Planning Department's determination under the California Environmental**
6 **Quality Act; and making findings of consistency with the General Plan, Planning Code**
7 **Section 302 and the eight priority policies of Planning Code Section 101.1.**

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

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

16 Section 1. Findings.

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

22 (b) On _____, the Planning Commission, in Resolution No. _____, adopted findings The
23 Board of Supervisors finds that the actions contemplated in this ordinance are consistent, on
24 balance, with the City's General Plan and eight priority policies of Planning Code Section
25 101.1 because the fee waiver will encourage owners to maintain and legalize potential
sources of affordable housing and result in a very low fiscal impact to the Planning and

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

4 (eb) Pursuant to Planning Code Section 302, this Board finds that this Planning Code
5 Amendment will serve the public necessity, convenience, and welfare because the fee waiver
6 will encourage owners to maintain and legalize potential sources of affordable housing and
7 result in little fiscal impact to the City ~~for the reasons set forth in Planning Commission~~
8 ~~Resolution No. _____ and the Board incorporates such reasons herein by reference.~~

9 (ec) In California Government Code Section 65852.150, the Legislature declared that
10 secondary units are a valuable form of housing in California because they "provide housing
11 for family members, students, the elderly, in-home health care providers, the disabled, and
12 others, at below market prices within existing neighborhoods" and that "homeowners who
13 create second units benefit from added income, and an increased sense of security."

14 (ed) San Francisco has long had a housing shortage, especially of affordable housing.
15 The housing market continues to be tight and housing costs are beyond the reach of many
16 households. Objective 3 of the City's 2014 Housing Element directs the City to protect the
17 affordability of the existing housing stock, especially rental units. Policy 3.4 seeks to preserve
18 "naturally" affordable housing types, such as smaller and older ownership units.

19 (fe) The City has no definitive information on the number of dwelling units that have
20 been added to existing residential buildings without the benefit of a permit, but unofficial
21 estimates indicate that as many as 30,000 to 40,000 such dwelling units exist as of 2013.
22 Often these illegal units have been built in the basements, garages, and attics of existing
23 buildings or in rear-yard structures. While many of these units may not meet existing Planning
24 and Building Code requirements, they constitute a major supply of San Francisco's affordable
25 housing units, often meet life and safety standards, or could meet such standards with minor

1 permitted alterations, and may require only exceptions from density, open space, and other
2 Planning Code requirements in order to become legal units.

3 (gf) The City's 2014 Housing Element notes that while 76 secondary units were
4 legalized between 2004 and 2013, a much larger number (226 units) were removed during
5 that same period.

6 (hg) In Spring 2014, the City passed legislation (Ordinance Number 43-14, approved
7 on April 14, 2014) to allow the legalization process for secondary units built without a building
8 permit. The legislation amends the Planning Code, the Building Code, and the Administrative
9 Code to establish a legalization process for such units.

10 (ih) Mayoral Executive Directive 13-01 seeks to maximize the preservation of these
11 secondary units as affordable housing. To encourage the legalization of such units, this
12 ordinance would waive certain permit review fees associated with retaining these secondary
13 units by granting legal status to existing dwelling units constructed without the required
14 permits.

15 (ji) By waiving such fees, the City would create incentives for property owners to
16 pursue legalization of the secondary units and would help achieve several public policy
17 objectives. By encouraging the legalization of these units, the City would add legitimate units
18 to the City's supply of affordable housing, ensure that these units are safe and habitable, and
19 properly include these units when calculating the City's existing housing supply.

20
21 Section 2. Fee Waivers

22 (a) Notwithstanding any provision of the Planning Code, including the fee schedule
23 associated with Sections 355(a), the permit fee related to reviewing permit applications
24 seeking to legalize existing dwelling units that were constructed without the required permits,
25 is hereby waived for any permit issued for such activities prior to January 1, 2020.

1 (b) Notwithstanding any provision of the Building Code, including the fee schedules of
2 Tables 1A-A and 1A-E, the Plan Review Fee related to reviewing permit applications, or a
3 portion of a permit application, seeking to legalize existing dwelling units that were
4 constructed without the required permits is hereby waived for any permit issued for such
5 activities prior to January 1, 2020; provided that other fees, including but not limited to fees for
6 applications to undertake structural work or excavation activities or any fees required by
7 State law, shall not be waived.

8 (c) Only the portion of the permit fees related to legalizing existing units may be
9 waived. If the permit describes work beyond that required to legalize the unit, the fees related
10 to any additional work beyond necessary improvements for legalization shall not be waived.

11 (d) In the event the Director of Building Inspection or the Planning Director determine
12 that the fee waivers provided in this Ordinance No. _____ are no longer feasible, they may
13 provide information to the Board of Supervisors about such feasibility and the Board may
14 consider adopting an ordinance terminating this fee waiver prior to January 1, 2020.

15
16 Section 3. Effective Date. This ordinance shall become effective 30 days after
17 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
18 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
19 of Supervisors overrides the Mayor's veto of the ordinance.

20
21 APPROVED AS TO FORM:
22 DENNIS J. HERRERA, City Attorney

23 By:


24 KATE H. STACY
Deputy City Attorney

25 n:\legana\as2015\1500779\01011473.docx

LEGISLATIVE DIGEST

[Planning, Building Codes - Fee Waiver for Legalization of Secondary Dwelling Units]

Ordinance amending the Planning and Building Codes to waive fees related to granting legal status to existing dwelling units constructed without required permits; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, Planning Code, Section 302, and the eight priority policies of Planning Code, Section 101.1.

Existing Law

The Planning Department and Department of Building Inspection charge certain administrative fees for review of building permit applications, including permit applications that may be submitted to legalize an existing secondary dwelling unit that had been constructed or added without required City permits.

Amendments to Current Law

This ordinance would waive permit application fees for review of permit applications that seek to legalize secondary dwelling units until January 1, 2020. The Department of Building Inspection would waive its Plan Review Fee, and the Planning Department would waive its permit fee related to reviewing permit applications. Only fees related directly to legalization would be waived. If the Director of Building Inspection and the Planning Director determine that the permit application fee waiver is no longer feasible, they could request that the Board of Supervisors consider terminating this fee waiver prior to January 1, 2020.

Background Information

Consistent with Mayor's Executive Directive 13-01, the legislation seeks to encourage the preservation of existing secondary dwelling units as affordable housing. To encourage the legalization of such units, this legislation would waive certain permit review fees associated with legalizing these secondary units.

n:\egana\as2015\1500779\01011778.docx



SAN FRANCISCO PLANNING DEPARTMENT

June 18, 2015

Ms. Angela Calvillo, Clerk
Honorable Mayor Edwin Lee
Board of Supervisors
City and County of San Francisco
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 Numbers 2015-007368PCA and 2015-007369PCA
Fee Waiver for In-Law Units, and Citywide Affordable Housing Fund
Board File Nos. 150571 and 150568
Planning Commission Action: Waive Opportunity to Review the Proposed Ordinances**

Dear Ms. Calvillo and Mayor Lee,

On June 18, 2015, the Planning Commission conducted a duly noticed public hearing at regularly scheduled meeting to consider waiving the Commission's opportunity to review and comment on Board Files 150571 and 150568. At the hearing the Planning Commission voted to waive their opportunity to review these two Board files.

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 "Aaron D. Starr", with a long horizontal line extending to the right.

Aaron D. Starr
Manager of Legislative Affairs

cc:
Kate Stacy, Deputy City Attorney
Susan Cleveland-Knowles
Nicole Elliot, Legislative Director, Commission & Board Liaison, Office of Mayor Edwin M. Lee
Linda Wong, Office of the Clerk of the Board

Attachments:

Planning Commission Resolutions 19391 and 19392
Planning Department Memo



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Resolution No. 19392 HEARING DATE JUNE 18, 2015

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Date: June 11, 2015
Project Name: Self-Appropriating Citywide Affordable Housing Fund
Case Number: 2015-007369PCA
[Board File 150568]
Initiated by: Mayor Edwin Lee / Introduced June 2, 2015
Staff Contact: Aaron Starr – (415) 558-6362
aaron.starr@sfgov.org
Reviewed by: AnMarie Rodgers, Manager Legislative Affairs
anmarie.rodgers@sfgov.org, 415-558-6395

RESOLUTION WAIVING THE PLANNING COMMISSIONS OPPORTUNIT TO CONSIDER BOARD FILE 150568 – SELF-APPROPRIATING CITYWIDE AFFORDABLE HOUSING FUND.

WHEREAS, On June 2, 2015, Mayor Edwin Lee introduced an ordinance associated with the City's 2015-2017 Budget (hereinafter "Budget") at the Board of Supervisors under Board of Supervisors (hereinafter "Board") Board File 150568 – Self-Appropriating Citywide Affordable Housing Fund;

WHEREAS, The Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider waiving their opportunity to hear the proposed Ordinance on June 18, 2015; and,

WHEREAS, Board File 150568 has been determined to not be a project under CEQA Guidelines Section 15378 and 15060(c)(2) because it does not result in a physical change in the environment; and

WHEREAS, per City Charter Section 3.3, the Board shall not later than the last working day of July, adopt the budget as proposed by the Mayor, or as amended by the Board of Supervisors;

WHEREAS, this ordinance is trailing legislation for the City and County of San Francisco's (hereinafter "City") Budget and must move out of committee no later than June 25th, 2015 to be included in the Department's Budget; and

WHEREAS, per Planning Code Section 306.4(d)(3) the Commission is required to rendered its decision on Board initiated ordinances within 90 days from the date of referral of the proposed amendment or modification by the Board to the Commission; and

WHEREAS, failure of the Commission to act within the prescribed time shall be deemed to constitute disapproval by the Commission; and

WHEREAS, this ordinance cannot be properly heard by the Board until this 90-day period has expired or the Commission has taken action; and

WHEREAS, Board Files 150568 was referred to the Planning Department (hereinafter "Department") on June 10, 2015; and

WHEREAS, Board Files 150568 is scheduled to be heard at the heard at the June 22nd Budget and Finance Committee meeting, and the Clerk of the Board requires a response from the Commission on this Ordinances no later than 5:00 p.m. Thursday, June 18th, 2015; and

WHEREAS, this tight timeline does not provide the Department adequate time to comply with the 20-day notification period for ordinances that amend the Planning Code (hereinafter "Code") per Code Section §306.3(a)(3), and calendar the ordinances for consideration by the Commission at a properly noticed public hearing; and

WHEREAS, this ordinance is an important part of the Department's Budget and cannot be included in the Budget unless it is passed by the Board in concert with the City's Budget; and

WHEREAS, the Ordinance is intended to help address the City's unprecedented housing crisis by more quickly allocating affordable housing funds; 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, 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 Planning Commission has reviewed the proposed Ordinance.

MOVED, that the Planning Commission hereby waives its opportunity to hear Board File 150568 so that they can move forward in concert with the City's Budget.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on June 18, 2015.

Jonas P. Ionin
Commission Secretary

Resolution No. 19392
June 18, 2015

CASE NO. 2015-007369PCA
Self-Appropriating Citywide Affordable Housing Fund

AYES: Commissioners Antonini, Hillis, Moore, Richards, and Wu

NOES: none

ABSENT: Commissioners Fong, and Johnson

ADOPTED: June 18, 2015



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Resolution No. 19391 HEARING DATE JUNE 18, 2015

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Date: June 11, 2015
Project Name: Fee Waiver for In-Law Units
Case Number: 2015-007368PCA [Board File 150571]
Initiated by: Mayor Edwin Lee / Introduced June 2, 2015
Staff Contact: Aaron Starr – (415) 558-6362
aaron.starr@sfgov.org
Reviewed by: AnMarie Rodgers, Manager Legislative Affairs
anmarie.rodgers@sfgov.org, 415-558-6395

RESOLUTION WAIVING THE PLANNING COMMISSIONS OPPORTUNITY TO CONSIDER BOARD FILE 150571- FEE WAIVER FOR IN-LAW UNITS.

WHEREAS, On June 2, 2015, Mayor Edwin Lee introduced an Ordinance associated with the City's 2015-2017 Budget (hereinafter "Budget") at the Board of Supervisors under Board of Supervisors (hereinafter "Board") File 150571- Fee Waiver for In-Law Units; and

WHEREAS, The Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider waiving their opportunity to hear the proposed Ordinance on June 18, 2015; and,

WHEREAS, Board File 150571 has been determined to be statutorily exempt from environmental review under the California Environmental Quality Act Section 15273; and

WHEREAS, per Charter Section 3.3, the Board shall not later than the last working day of July, adopt the budget as proposed by the Mayor, or as amended by the Board of Supervisors;

WHEREAS, this ordinance is trailing legislation for the City and County of San Francisco's (hereinafter "City") Budget and must move out of committee no later than June 25th, 2015 to be included in the Department's Budget; and

WHEREAS, per Planning Code Section 306.4(d)(3) the Planning Commission is required to rendered its decision on Board initiated ordinances within 90 days from the date of referral of the proposed amendment or modification by the Board to the Commission; and

WHEREAS, failure of the Commission to act within the prescribed time shall be deemed to constitute disapproval by the Commission; and

WHEREAS, this ordinance cannot be properly heard by the Board until this 90-day period has expired or the Commission has taken action; and

WHEREAS, Board File 150571 was referred to the Planning Department (hereinafter "Department") on June 10, 2015; and

WHEREAS, Board File 150571 is scheduled to be heard at the June 22nd Budget and Finance Committee meeting, and the Clerk of the Board (hereinafter "Clerk") requires a response from the Commission on this Ordinance no later than 5:00 p.m. Thursday, June 18th, 2015; and

WHEREAS, this tight timeline does not provide the Department adequate time to comply with the 20-day notification period for ordinances that amend the Planning Code (hereinafter "Code") per Code Section §306.3(a)(3), and calendar the ordinances for consideration by the Commission at a properly noticed public hearing; and

WHEREAS, this Ordinance is an important part of the Department's Budget and cannot be included in the Budget unless it is passed by the Board in concert with the City's Budget; and

WHEREAS, this Ordinance is intended to help address the City's unprecedented housing crisis by encouraging the retention of existing housing units; and

WHEREAS, the Planning 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, 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 waives its opportunity to hear Board File 150571 so that it can move forward in concert with the City's Budget.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on June 18, 2015.

Jonas P. Ionin
Commission Secretary

Resolution 19391
June 18, 2015

CASE NO. 2015-007368PCA
Fee Waiver for In-Law Units

AYES: Commissioners Antonini, Hillis, Moore, Richards, and Wu

NOES: none

ABSENT: Commissioners Fong, and Johnson

ADOPTED: June 18, 2015



SAN FRANCISCO PLANNING DEPARTMENT

Memo to the Planning Commission

HEARING DATE: JUNE 18, 2015

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Date: June 11, 2015
Project Name: FY 2015-2016 Budget Trailing Legislation
Case Number: 2015-007368PCA and 2015-007369PCA
[Board File 150571 and 150568]
Initiated by: Mayor Edwin Lee / Introduced June 2, 2015
Staff Contact: Aaron Starr – (415) 558-6362
aaron.starr@sfgov.org
Reviewed by: Thomas DiSanto, Director of Administration
AnMarie Rodgers, Senior Policy Advisor

Recommendation: Waive Commission Review of Ordinances [BF 150568 and BF 150571]

On June 2, 2015 Mayor Edwin Lee introduced two ordinances associated with the City's Fiscal Year (FY) 2015-2016 Budget at the Board of Supervisors: Board File 150571- Fee Waiver for In-Law Units, and Board File 150568 - Citywide Affordable Housing Fund. Both of these ordinances are scheduled to be heard by the Budget and Finance Committee on June 22, 2015 so that they can be considered alongside the City's final budget.

Planning Code Section 306.4(d)(3) requires the Planning Commission to render its decision on Board of Supervisor initiated ordinances within 90 days from the date of referral of the proposed amendment or modification by the Board to the Commission. Failure of the Commission to act within the prescribed time shall be deemed to constitute disapproval by the Planning Commission. Further, these items cannot be properly heard by the Board until either the 90-day period has expired or the Commission has taken action. Board Files 150568 and 150571 were referred to the Planning Department on June 10, 2015. As such, the Department has not had adequate time to calendar these items for consideration by the Planning Commission at a properly noticed public hearing. Given the importance of these two items, and the tight adoption timeline of the City's 15-16 Fiscal Year Budget, the Department is requesting that the Planning Commission pass a resolution (see Exhibits A and B) waiving its opportunity to hear both of these ordinances so that they can move forward in concert with the City's Budget.

Board File 150571 Fee Waiver for In-Law Units

On December 1, 2013 the Mayor issued Mayoral Directive 13-01, which directed all Departments "that have the legal authority over the permitting or mapping of new or existing housing to prioritize their administrative work plans to the construction and development of all net new housing, including affordable housing." In response to the Mayor's directive, the Department has been working with the Mayor's Office to ensure that we preserve not only existing permitted housing units but also unpermitted housing units. BF 150571 was developed by the Mayor's office in consultation with the Planning Department after the Department's budget was presented to the Planning Commission; therefore it was not considered by the Planning Commission at that time.

BF 150571 seeks to build upon Mayoral Directive 13-01 by waiving Planning Department and Building Department fees related to legalizing existing accessory dwelling units constructed without permits in order to incentivize the preservation and legalization of these units. The Department estimates that the

fiscal impact of this Ordinance would be minimal. Last year, 34 permits authorized the legalization of existing units within the City. DBI permit fees averaged roughly \$1,540 per approved permit, while Planning permit fees averaged \$1,647 per approved permit (See Exhibit E). If a fee waiver had been in place during this time period, the total cost to the Planning Department would have been roughly \$52,000. Given the relatively low fiscal impact to the Planning Department and the importance of maintaining and legalizing existing housing, the Department recommends that the Commission waive the 90-day review period so that the Board of Supervisors may consider this ordinance without delay as part of the City's budget.

Board File 150568 Citywide Affordable Housing Fund

The Citywide Affordable Housing Fund is currently established in Planning Code Section 413.10 as a special fund established by the Controller. Despite this mention in the Planning Code, the Fund was never defined in the Administrative Code along with the other special funds established by the Controller. Fees from several different programs related to affordable housing, including programs in the Planning Code and the Subdivision Code, are deposited into the Fund. In some cases, the funds are identified as being "appropriated" and in some cases they are not. However, Planning Code Section 413.10, which established the Fund, does include appropriation authority language. This lack of consistency across the Planning Code results in an unclear appropriation authority. Specifically, the following fees dedicated to affordable housing make reference to the Citywide Affordable Housing Fund:

- Jobs-Housing Linkage Fees, Planning Code Section 413.10
- Inclusionary Affordable Housing Program, Planning Code Section 415.5
- Market-Octavia Affordable Housing Requirement, Planning Code Section 416.5
- Eastern Neighborhoods Community Improvements Fund, Designated Affordable Housing Zones, Planning Code Section 423.5
- Expedited Condo Conversion Program, Subdivision Code 1396.4

Board File 150568 corrects this and adds clarity by defining the Citywide Affordable Housing Fund in the Administrative Code as a "Category Eight self-appropriating fund." This is to bring the fund into alignment with the way that other special funds are typically defined. In addition, for consistency, language in the Planning Code sections referenced above is clarified to refer to the Administrative Code as the common governing description of the Fund. The Ordinance allows MOHCD to administer the fund, and the Director of MOHCD approves all expenditures from the Fund. The draft Ordinance also amends the Planning and Subdivision Codes to uniformly refer to the "Citywide Affordable Housing Fund" and clarify that in all cases, the funds that flow into the Fund are appropriated. Allowable expenditures defined by each specific fee remain unchanged, namely, all fee revenues are restricted to use by the Mayor's Office of Housing and Community Development for affordable housing production. City practice has been to follow the appropriation authority granted in the Planning Code for the Jobs-Housing Linkage Fees and the Inclusionary Affordable Housing Program. These proposed changes align the Market-Octavia, Eastern Neighborhoods, and Expedited Condo Conversion fees, which are newer sections of the Planning Code, with the City practice. Given the clarifying nature of this Ordinance and that it would not change City practice of appropriation of fees dedicated to affordable housing production, the Department recommends that the Commission waive the 90-day review period so that the Board of Supervisors may consider this Ordinance without delay as part of the City's budget.

Memo to Planning Commission
Hearing Date: June 18, 2015

CASE NO. 2015-007368PCA and 2015-007369PCA
Budget Trailing Legislation

Attachments:

Exhibit A: Draft Resolution for Board File 150571

Exhibit B: Draft Resolution for Board File 150568

Exhibit C: Board File 150571

Exhibit D: Board File 150568

Exhibit E: Status Report: Legalization of existing dwelling units constructed without permits in
San Francisco after one year of implementation



BUILDING INSPECTION COMMISSION (BIC)

Department of Building Inspection Voice (415) 558-6164 - Fax (415) 558-6509
1660 Mission Street, San Francisco, California 94103-2414

June 18, 2015

Edwin M. Lee
Mayor

COMMISSION

Angus McCarthy
President

Warren Mar
Vice-President

Kevin Clinch
Frank Lee
Dr. James McCray, Jr.
Myrna Melgar
Debra Walker

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

RE: (File No. 150571) – Ordinance amending the Planning and Building Codes to waive fees related to granting legal status to existing dwelling units constructed without required permits; affirming the Planning Department’s determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, Planning Code, Section 302, and the eight priority policies of Planning Code, Section 101.1.

Sonya Harris
Secretary

Tom C. Hui
Director

Dear Ms. Calvillo:

On June 17, 2015 the Building Inspection Commission held a public hearing on the proposed amendment to the San Francisco Building Code referenced above. The Commissioners voted unanimously to support this proposed amendment.

The Commissioners voted as follows:

Vice-President Mar	Aye
Commissioner Lee	Aye
Commissioner Melgar	Aye
Commissioner Walker	Aye

Should you have any questions, please do not hesitate to call me at 558-6164.

Sincerely,

Sonya Harris
Commission Secretary

cc: Tom C. Hui, S.E., Director
Mayor Edwin M. Lee
Board of Supervisors
William Strawn

Wong, Linda (BOS)

From: Harris, Sonya (DBI)
Sent: Thursday, June 18, 2015 11:32 AM
To: Calvillo, Angela (BOS)
Cc: Wong, Linda (BOS); Hui, Tom (DBI); Jayin, Carolyn (DBI); Strawn, William (DBI); Lee, Mayor (MYR)
Subject: File No. 150571 (Fee Waiver re: legal units)
Attachments: File No. 150571.pdf

Good Morning Ms. Calvillo,

Please see the attached transmittal letter from the Building Inspection Commission in support of File No. 150571 regarding waiving fees related to granting legal status to existing dwelling units.

Thank you.

Sonya Harris
Commission Secretary

Sonya Harris
Secretary
Building Inspection Commission
(415) 558-6164 (Phone)
(415) 558-6509 (Fax)

Email: sonya.harris@sfgov.org Web: www.sfdbi.org

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

June 10, 2015

Planning Commission
Attn: Jonas Ionin
1650 Mission Street, Ste. 400
San Francisco, CA 94103

Dear Commissioners:

On June 2, 2015, Mayor Lee introduced the following legislation:

File No. 150571

Ordinance amending the Planning and Building Codes to waive fees related to granting legal status to existing dwelling units constructed without required permits; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, Planning Code, Section 302, and the eight priority policies of Planning Code, Section 101.1.

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 Committee and will be scheduled for hearing upon receipt of your response.

Angela Calvillo, Clerk of the Board

A handwritten signature in black ink, appearing to read "Linda Wong".

By: Linda Wong, Assistant Clerk
Budget and Finance Committee

c: John Rahaim, Director of Planning
Aaron Starr, Acting Manager of Legislative Affairs
AnMarie Rodgers, Senior Policy Manager
Scott Sanchez, Zoning Administrator
Sarah Jones, Chief, Major Environmental Analysis
Jeanie Poling, Environmental Planning
Joy Navarrete, Environmental Planning

Wong, Linda (BOS)

From: Wong, Linda (BOS)
Sent: Wednesday, June 10, 2015 12:19 PM
To: Hui, Tom (DBI); Harris, Sonya (DBI)
Cc: Strawn, William (DBI); Jayin, Carolyn (DBI); Stefani, Catherine; Howard, Kate (MYR)
Subject: Legislation Introduced with Mayor's Proposed Budget
Attachments: 150571.pdf

Importance: High

Mr. Hui,

The Board of Supervisors has received the attached legislation regarding the subject matter referenced below introduced by the Mayor Lee. This is being referred to the Building Inspection Commission pursuant to Charter Section 4.124.

File No. 150571

Ordinance amending the Planning and Building Codes to waive fees related to granting legal status to existing dwelling units constructed without required permits; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, Planning Code, Section 302, and the eight priority policies of Planning Code, Section 101.1.

Since this matter may be heard at the **June 15th** Budget and Finance Committee meeting, we would appreciate it if your office could provide us with a response no later than **5:00 p.m. Thursday, June 11th**.

Thank you in advance,

Linda Wong
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.

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

MEMORANDUM

TO: Tom Hui, Director, Department of Building Inspection
Sonya Harris, Secretary, Building Inspection Commission

FROM: Linda Wong, Assistant Clerk, Budget and Finance Committee, Board of Supervisors

DATE: June 10, 2015

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Budget and Finance Committee has received the following legislation, introduced by Mayor Lee:

File No. 150571

Ordinance amending the Planning and Building Codes to waive fees related to granting legal status to existing dwelling units constructed without required permits; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, Planning Code, Section 302, and the eight priority policies of Planning Code, Section 101.1.

The proposed ordinance is being transmitted pursuant to Charter Section D3.750-5 for public hearing and recommendation. It is pending before the Budget and Finance 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.

c: William Strawn, Department of Building Inspection
Carolyn Jayin, Department of Building Inspection

Wong, Linda (BOS)

From: Wong, Linda (BOS)
Sent: Wednesday, June 10, 2015 12:42 PM
To: Ionin, Jonas (CPC)
Cc: Rahaim, John (CPC); Starr, Aaron (CPC); Rodgers, AnMarie (CPC); Sanchez, Scott (CPC); Jones, Sarah (CPC); Poling, Jeanie (CPC); Navarrete, Joy (CPC); Stefani, Catherine; Howard, Kate (MYR)
Subject: Legislation Introduced with Mayor's Proposed Budget
Attachments: 150571 referral.pdf

Importance: High

Good afternoon,

The Board of Supervisors has received the attached legislation regarding the subject matter referenced below introduced by the Mayor Lee. This is being referred to the Planning Commission pursuant to Planning Code, Section 302(b).

File No. 150571

Ordinance amending the Planning and Building Codes to waive fees related to granting legal status to existing dwelling units constructed without required permits; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, Planning Code, Section 302, and the eight priority policies of Planning Code, Section 101.1.

Since this matter may be heard at the **June 15th** Budget and Finance Committee meeting, we would appreciate it if your office could provide us with a response no later than **5:00 p.m. Thursday, June 11th**.

Thank you in advance,

Linda Wong
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.

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

June 8, 2015

File No. 150571

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

Dear Ms. Jones:

On June 1, 2015, Mayor Lee introduced the following legislation:

File No. 150571

Ordinance amending the Planning and Building Codes to waive fees related to granting legal status to existing dwelling units constructed without required permits; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, Planning Code, Section 302, and the eight priority policies of Planning Code, Section 101.1.

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, Assistant Clerk

Attachment

c: Joy Navarrete, Environmental Planning
Jeanie Poling, Environmental Planning

Statutory Exemption pursuant to CEQA
Guidelines Section 15273 Rates, Tolls,
Fares, and Charges.

Joy
Navarrete

Digitally signed by Joy Navarrete
DN: cn=Joy Navarrete, o=Planning,
ou=Environmental Planning,
email=joy.navarrete@sfgov.org,
c=US
Date: 2015.06.09 10:51:41 -07'00'

OFFICE OF THE MAYOR
SAN FRANCISCO



EDWIN M. LEE
MAYOR

To: Angela Calvillo, Clerk of the Board of Supervisors
From: Kate Howard, Mayor's Budget Director
Date: June 1, 2015
Re: Mayor's FY 2015-16 and FY 2016-17 Budget Submission

Madam Clerk,

In accordance with City and County of San Francisco Charter, Article IX, Section 9.100, the Mayor's Office hereby submits the Mayor's June 1st proposed budget, corresponding legislation, and related materials for Fiscal Year 2015-16 and Fiscal Year 2016-17.

In addition to the Annual Salary Ordinance and Annual Appropriation Ordinance, the following items are included in the Mayor's submission:

- The budget for the Treasure Island Development Authority for FY 2015-16 and FY 2016-17.
- The budget for the Office of Community Investment and Infrastructure for FY 2015-16.
- 19 separate pieces of legislation (see list attached).
- A Transfer of Function letter detailing the transfer of 1.0 position within the Executive Branch.
- An Interim Exception letter;
- A letter addressing funding levels for consumer price index increases for nonprofit corporations or public entities for the coming two fiscal years.

If you have any questions, please contact me at (415) 554-6515.

Best Regards,

A handwritten signature in black ink, appearing to read "Kate H", with a long horizontal flourish extending to the right.

Kate Howard
Mayor's Budget Director

cc: Members of the Board of Supervisors
Harvey Rose
Controller

Legislation Introduced with the Mayor's Proposed FY 2015-16 and FY 2015-16 Budget			
DEPT	Description of Local Legislation	Type of Legislation	Budget & Finance Committee Calendar Date
AIR	Appropriation – \$2,673,349 to the Airport Commission - FY2015-2016	Ordinance	15-Jun
CON	Resolution Adjusting the Access Line Tax with the Consumer Price Index of 2015	Resolution	15-Jun
CON	Neighborhood Beautification and Graffiti Clean-up Fund Tax Designation Ceiling	Ordinance	15-Jun
CON	Designation of Hinderliter, de Llamas and Associates ("Contractor") as City's Authorized Representative in Sales and Use Tax Records Examination	Resolution	15-Jun
CON	Proposition J Contract Certification Specified Contracted-Out Services Previously Approved	Resolution	15-Jun
CPC	Administrative Code – California Environmental Quality Act Procedures and Fees (Fee Elimination)	Ordinance	15-Jun
CPC	Planning, Building Codes – Fee Waiver for Legalization of Secondary Dwelling Units	Ordinance	15-Jun
DBI	Building Code - Fees	Ordinance	18-Jun
DPH	Accept and Expend Grants- Recurring State Grant Funds - Department of Public Health- FY2015-2016	Resolution	18-Jun
DPH	Public Health Rates for FY 2015-16 and FY 2016-17	Ordinance	18-Jun
DPH	Administrative Code - Department of Public Health Group Purchasing Organizations	Ordinance	18-Jun
DPW	Public Works Code – Fees for Nighttime Work Permit and Preapplication Meetings	Ordinance	17-Jun
FIR	Business and Tax Regulations Code - Fire Department Licensing Fees	Ordinance	17-Jun
FIR	Fire Code – Fire Department Fines and Fees	Ordinance	17-Jun
H.S.A.	Approval of FY15-16 and FY16-17 Expenditure Plans for the Human Services Care Fund	Resolution	18-Jun
MOHCD	Administrative, Planning, Subdivision Codes - Citywide Affordable Housing Fund, Mayor's Housing Programs Fees Fund	Ordinance	15-Jun
MOHDC	Certificates of Participation – Housing Trust Fund – Reimbursement of Certain Expenditures	Resolution	15-Jun
PUC	Appropriation Amendment - \$2,177,552 to the Public Utilities Commission Operating Budget - FY2015-2016	Ordinance	15-Jun
PUC	Public Employment – Amendment to the Annual Salary Ordinance, FY2015-2016 and FY 2016-2017 – Public Utilities Commission Water Enterprise Department	Ordinance	15-Jun

Major, Erica (BOS)

From: Navarrete, Joy (CPC)
Sent: Tuesday, June 09, 2015 10:56 AM
To: Major, Erica (BOS)
Cc: Poling, Jeanie (CPC); Wong, Linda (BOS)
Subject: RE: URGENT REFERRAL ER - (150571) Planning, Building Codes - Fee Waiver for Legalization of Secondary Dwelling Units
Attachments: 150571.pdf

Joy Navarrete, Senior Environmental Planner
San Francisco Planning Department
1650 Mission Street, Suite 400
San Francisco, CA 94103
P. 415-575-9040 F. 415-558-6409
www.sfplanning.org

From: Major, Erica (BOS)
Sent: Tuesday, June 09, 2015 10:39 AM
To: Jones, Sarah (CPC)
Cc: Poling, Jeanie (CPC); Navarrete, Joy (CPC); Wong, Linda (BOS)
Subject: URGENT REFERRAL ER - (150571) Planning, Building Codes - Fee Waiver for Legalization of Secondary Dwelling Units
Importance: High

Greetings:

Attached is a referral for the Planning Department's environmental review. *This matter is scheduled to be heard at the Budget and Finance Committee on June 15, 2015, at 10:00 a.m. in City Hall, Room 263.* Please forward your determination to Linda.Wong@sfgov.org as soon as possible.

Thank you in advance.

(Sent on behalf of Linda Wong, Assistant Clerk, Budget and Finance Committee.)

Erica Major
Assistant Committee Clerk
Board of Supervisors
1 Dr. Carlton B. Goodlett Place, City Hall, Room 244
San Francisco, CA 94102
Phone: (415) 554-4441 | Fax: (415) 554-5163
Erica.Major@sfgov.org | www.sfbos.org

 Click [here](#) to complete a Board of Supervisors Customer Service Satisfaction form.

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

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

June 8, 2015

File No. 150571

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

Dear Ms. Jones:

On June 1, 2015, Mayor Lee introduced the following legislation:

File No. 150571

Ordinance amending the Planning and Building Codes to waive fees related to granting legal status to existing dwelling units constructed without required permits; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, Planning Code, Section 302, and the eight priority policies of Planning Code, Section 101.1.

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

A handwritten signature in black ink that reads "Victor Young".

By: Victor Young, Assistant Clerk

Attachment

c: Joy Navarrete, Environmental Planning
Jeanie Poling, Environmental Planning

Major, Erica (BOS)

From: Major, Erica (BOS)
Sent: Tuesday, June 09, 2015 10:39 AM
To: Jones, Sarah (CPC)
Cc: Poling, Jeanie (CPC); Navarrete, Joy (CPC); Wong, Linda (BOS)
Subject: URGENT REFERRAL ER - (150571) Planning, Building Codes - Fee Waiver for Legalization of Secondary Dwelling Units
Attachments: 150571.pdf
Importance: High


Greetings:

Attached is a referral for the Planning Department's environmental review. *This matter is scheduled to be heard at the Budget and Finance Committee on June 15, 2015, at 10:00 a.m. in City Hall, Room 263.* Please forward your determination to Linda.Wong@sfgov.org as soon as possible.

Thank you in advance.

(Sent on behalf of Linda Wong, Assistant Clerk, Budget and Finance Committee.)

Erica Major
Assistant Committee Clerk
Board of Supervisors
1 Dr. Carlton B. Goodlett Place, City Hall, Room 244
San Francisco, CA 94102
Phone: (415) 554-4441 | Fax: (415) 554-5163
Erica.Major@sfgov.org | www.sfbos.org

 [Click here](#) to complete a Board of Supervisors Customer Service Satisfaction form.

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.