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File No	160553	Committee Item N Board Item No		
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Committee:	Land Use and Transporta	tion Date	October 24	, 2016
Board of Su	pervisors Meeting	Date		
Cmte Boar	Motion Resolution Ordinance Legislative Digest Budget and Legislative A Youth Commission Repolation Form Department/Agency Cov Memorandum of Unders Grant Information Form Grant Budget Subcontract Budget Contract/Agreement Form 126 - Ethics Comm Award Letter Application Form 700 Vacancy Notice Information Sheet Public Correspondence	ort er Letter and/or Re tanding (MOU)	port	
OTHER	(Use back side if additio	nal space is neede	ed)	
	CERA Determination Planning Commission Rec	solution 19736		

Completed by:	Alisa Somera	_ Date	October 20, 2016
Completed by:		Date	•
• •			

Planning Code, Section 302.

NOTE:

Ordinance amending the Planning Code to clarify that all noncommercial Signs are exempt from regulation pursuant to Planning Code, Article 6; increase penalties for repeat violations for the display of illegal General Advertising Signs; shorten the time before penalties for General Advertising Sign violations begin to accrue; allow property liens for such penalties that go unpaid; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1, and a finding of public necessity, convenience, and welfare under

[Planning Code - Signs - Exemptions and General Advertising Sign Penalties]

Unchanged Code text and uncodified text are in plain Arial font.

Additions to Codes are in <u>single-underline italics Times New Roman font</u>.

Deletions to Codes are in <u>strikethrough italics Times New Roman font</u>.

Board amendment additions are in <u>double-underlined Arial font</u>.

Board amendment deletions are in <u>strikethrough Arial font</u>.

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 Planning 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. 160553 and is incorporated herein by reference. The Board affirms this determination.
- (b) On September 15, 2016, the Planning Commission, in Resolution No. 19736, adopted findings that the actions contemplated in this ordinance are consistent, on balance, with the City's General Plan and the eight priority policies of Planning Code Section 101.1.

The Board adopts these findings as its own. A copy of said Resolution is on file with the Clerk of the Board of Supervisors in File No. 160553, and is incorporated herein by reference.

(c) Pursuant to Planning Code Section 302, the Board of Supervisors finds that the proposed Planning Code amendments will serve the public necessity, convenience, and welfare for the reasons set forth in Planning Commission Resolution No. 19736, and the Board incorporates such reasons herein by reference.

Section 2. General Findings.

- (a) San Francisco is one of the most unusual and beautiful cities in the world, but it is losing its character as more general advertising signs, commonly known as billboards, pollute its streets and neighborhoods every day.
- (b) In past years, hundreds of general advertising signs have been displayed across the City's neighborhoods: on the side of buildings, plastered next to shop windows, and stacked one-after-another on major streets. Due to new technology, billboard companies can erect signs anywhere quickly, easily, and cheaply.
- (c) San Francisco's historic buildings, scenic views, and distinctive neighborhoods are being overrun by huge new general advertising signs. These intrusive advertisements hang over parks, playgrounds, public plazas, and homes and block views. Over the last few years there has been a dramatic increase in general advertising billboards, particularly the massive wallscapes that cover entire sides of buildings. General advertising signs are urban blight. They command viewers' attention without their consent, robbing them of the right to see the beautiful city they live in. They destroy the distinctive qualities that make San Francisco and its individual neighborhoods unique.

General advertising signs are currently in, adjacent to, and visible from public and historically significant civic spaces including not only parks and public plazas, but also historic buildings and the waterfront.

- (d) The number of general advertising signs is increasing all over the City. Many areas of the City are saturated with general advertising signs. In these areas the general advertising signs are obtrusive, out of scale, and contribute to visual pollution and blight. As population, traffic, and building trends grow and shift within the City, it is difficult to assess which areas of the City will be inundated with general advertising signs next.
- (e) The harms created by the large number of general advertising signs in San Francisco transcend aesthetic and environmental concerns, important as those concerns are to the community. There are other concrete harms as well. First, tourism, San Francisco's largest revenue-generating industry, benefits from the preservation of the City's unique character, architecture, and vistas. As general advertising signs become more and more a part of the City's landscape, its distinctive appearance recedes or is hidden, and the character that tourists visit the City to experience is lost. Second, City officials and the public have expressed concern over the negative impact of the increasing volume of general advertising signs on traffic and pedestrian safety. Third, signs identifying local services and businesses are often blocked or obscured by general advertising signs, a practice that confuses and distracts the public from finding those services and businesses.
- (f) City officials have received complaints from the public about the proliferation of general advertising signs in the City, the commercialization of the City's public space, and the increased size of vinyl signs which cover entire sides of buildings, as well as about general advertising signs placed on architecturally and historically significant buildings.

- (g) More than 600 cities in the United States including San Jose, San Diego, Denver, and Seattle and six States have protected their environment by prohibiting new general advertising signs.
- (h) The City currently contains an ample supply of legally permitted general advertising signs.
- (i) Planning Code Section 601 identifies the need to regulate signs in order to reduce hazards that can distract motorists and pedestrians traveling on the public right of way. Sign controls reduce the potential for accidents, especially in congested parts of the City.
- (j) Planning Code Section 601 cites as among the special purposes for adopting sign regulation: safeguarding and enhancing of property values in residential, commercial, mixed use, and industrial areas, protecting the public investment in and the character and dignity of public buildings, open spaces and thoroughfares, and protecting the distinctive appearance of San Francisco produced by its unique geography, topography, street patterns, skyline and architectural features.
- (k) Policy 4.14 of the Urban Design Element of the City's General Plan states, "Signs are another leading cause of street clutter. Where signs are large, garish and clashing they lose their value as identification or advertising and merely offend the viewer. Often these signs are overhanging or otherwise unrelated to the physical qualities of the buildings on which they are placed. Signs have an important place in an urban environment, but they should be controlled in their size and location."
- (I) Upon the adoption in March 2002 of Proposition G's citywide ban on new general advertising signs, it was estimated that roughly 1,500 general advertising signs existed in San Francisco.
- (m) In 2007, in Ordinance No. 52-07, the City adopted what were then thought to be heavy penalties for illegal general advertising signs. But, despite these penalties, roughly 200

additional general advertising signs have since been installed. While these signs have been removed through Planning Department enforcement activities, litigation, or a combination thereof, these 200 signs were equivalent to roughly one-quarter of the City's current total legal inventory of approximately 800 general advertising signs. Not only is this ratio of noncompliance inconsistent with the voter mandates set forth in March 2002's Proposition G, November 2007's Proposition K, and November 2009's Proposition E, but this striking pattern of unlawful activity also drains important City resources better put to other uses. Further, this pattern of unlawful activity demonstrates the continuing appeal of general advertising signs within the advertising industry, an appeal that often leads to the unlawful placement of such signs in San Francisco.

- (n) General advertising signs remain highly prominent in the advertising industry, and have not been meaningfully displaced by internet or other digital forms of advertising.

  Nationally, revenue from general advertising signs "rose 4.6 percent in 2015 compared to the previous year, accounting for \$7.3 billion," according to the Outdoor Advertising Association of America, which "marks an all-time high."
- (o) Consistent market demand for general advertising signs, notwithstanding the City's 10-year-old penalty amounts levied against illegal general advertising signs, has led to a situation in which penalties resulting from the display of illegal general advertising signage are internalized as a "cost of doing business." The penalties for such illegal signage no longer serve as a meaningful deterrent to unlawful behavior, if they ever did.
- (p) The size of a sign is a key factor in determining the profitability of a general advertising sign.
- (q) A central purpose of administrative penalties under Article 6 of the Planning Code is to deter illegal general advertising signs. Another purpose is to compensate the City for its costs of enforcing Article 6. To encourage compliance with Article 6, the City must have the

ability to impose administrative penalties that are sufficiently large to deter illegal general advertising signs.

- (r) Sign companies generally have the ability to remove illegal signage quickly after receiving notice that a sign violates Article 6 of the Planning Code. For example, in 2016, just before the Super Bowl, the City determined that a general advertising sign on the side of a building in Embarcadero Center violated Article 6. The Responsible Party removed the sign within two days of receiving notice from the City that the sign was illegally displayed.
- (s) Current penalties for illegal general advertising signs do not deter sign companies that wish to display an illegal general advertising sign during a particular event, such as the Super Bowl or SF Pride weekend. Under current Planning Code Section 610, a sign company may display a general advertising sign a few days before the event, knowing that penalties will not begin to accrue until 30 days after a notice of violation for the sign is issued, long after the event is over and the purpose of the general advertising sign, to reach attendees of the event, has been served.

Section 3. The Planning Code is hereby amended by revising Sections 602.10, 603 and 610, to read as follows:

#### SEC. 602.10. IDENTIFYING SIGN.

A <u>S</u>rign for a use listed in Article 2 of this Code as either a principal or a conditional use permitted in an R District, regardless of the district in which the use itself may be located, which <u>S</u>rign serves to tell only the name, address, and lawful use of the premises upon which the <u>S</u>rign is located, or to which it is affixed. <u>A bulletin board of a public, charitable or religious institution, used to display announcements relative to meetings to be held on the premises, shall be deemed an identifying sign. With respect to shopping malls containing five or more stores or establishments in NC Districts, and shopping centers containing five or more stores or</u>

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by other City agencies, or an identifying sign which directs the general public and/or patrons of a particular establishment to open space or parking resources;

- ( $g\underline{b}$ ) Signs within a stadium, open-air theater, or arena which are designed primarily to be viewed by patrons within such stadium, open-air theater, or arena;
- (h) Religious symbols attached to buildings if not projecting beyond any street property line or building setback line;
- (i) Flags indicating weather conditions, and single flags which are emblems of business firms, enterprises and other organizations;
- (*jc*) Two gGeneral aAdvertising sSigns each not exceeding 24 square feet in area on either a transit shelter or associated advertising kiosk furnished by contract with the Municipal Transportation Agency or predecessor agency for the Municipal Railway in RTO, RTO-M, RM-2, RM-3, RM-4, RC, NC, C, M, PDR, Eastern Neighborhoods Mixed Use Districts, and South of Market Mixed Use Districts, and in those P Districts where such soigns would not adversely affect the character, harmony, or visual integrity of the district as determined by the City Planning Commission; eight gGeneral aAdvertising sSigns each not exceeding 24 square feet in area on transit shelters located on publicly owned property on a high level Municipal Railway boarding platform in an RH-1D District adjacent to a C-2 District, provided that such advertising signs solely face the C-2 District; up to three double-sided gGeneral addvertising &Signs each not exceeding 24 square feet in area on or adjacent to transit shelters on publicly owned high level Municipal Railway boarding platforms along The Embarcadero south of the Ferry Building, up to six double-sided panels at 2nd and King Streets, and up to four doublesided panels at 4th and King Streets; up to two double-sided panels not exceeding 24 square feet in area on each low-level boarding platform at the following E-Line stops: Folsom Street and The Embarcadero, Brannan Street and The Embarcadero, 2nd and King Streets, and 4th and King Streets; and a total of 71 double-sided gGeneral addvertising sSigns each not

exceeding 24 square feet in area on or adjacent to transit shelters on 28 publicly owned high level Municipal Railway boarding platforms serving the Third Street Light Rail Line. Each advertising sign on a low-level or high\_level boarding platform shall be designed and sited in such a manner as to minimize obstruction of public views from pedestrian walkways and/or public open space.

Notwithstanding the above, no sSign shall be placed on any transit shelter or associated advertising kiosk located on any sidewalk which shares a common boundary with any property under the jurisdiction of the Recreation and Park Commission, with the exception of Justin Herman Plaza; on any sidewalk on Zoo Road; on Skyline Boulevard between Sloat Boulevard and John Muir Drive; on John Muir Drive between Skyline Boulevard and Lake Merced Boulevard; or on Lake Merced Boulevard on the side of Harding Park Municipal Golf Course, or on any sidewalk on Sunset Boulevard between Lincoln Way and Lake Merced Boulevard; on any sidewalk on Legion of Honor Drive; or in the Civic Center Special Sign Districts as established in Section 608.3 of this Code.

The provisions of this subsection <u>(c)</u> shall be subject to the authority of the <u>San</u>

Francisco Port Commission under Sections 4.114 and B3.581 of the City Charter and under State law.

(k)—Information plaques or signs which identify to the public open space resources, architectural features, creators of artwork, or otherwise provide information required by this Code or by other City agencies, or an identifying sign which directs the general public and/or patrons of a particular establishment to open space or parking resources, provided that such sign shall not project more than three inches from the wall and that its dimensions shall be no greater than 24 inches by 24 inches;

- (1) Nonilluminated art murals within the South of Market-Mixed-Use District and Eastern

  Neighborhoods Mixed Use Districts, with the exception of the UMU District, if they project no more
  than 18 inches from the pre-existing surface of a structure;
- (md) Two general advertising seligns each not exceeding 52 square feet in area on a public service kiosk furnished by contract with the Department of Public Works which contract also provides for the installation and maintenance of automatic public toilets. Each such public service kiosk shall be divided into three sections, one of which shall provide a public service, such as a newsstand, newsrack, map, public telephone, vending machine, display of public service information, or interactive video terminal;
- (ne) Advertising placed on fixed pedestal newsrack units in accordance with Section 184.12 of the Public Works Code.
- (of) To the extent not otherwise exempted pursuant to subsection (a) of this Section 610, Aany Historic Movie Theater Projecting Sign or Historic Movie Theater Marquee when preserved, rehabilitated, restored, or reconstructed pursuant to Section 188(e) of the Planning Code.

### SEC. 610. VIOLATION OF GENERAL ADVERTISING SIGN REQUIREMENTS.

- (b) Administrative Penalties. The Director of Planning may impose administrative penalties for violations of the regulations governing <u>gG</u>eneral <u>aA</u>dvertising <u>sSigns</u> set forth in this Article <u>6. These administrative penalties are cumulative to and do not foreclose any criminal or civil penalties that may apply under state or local law. Administrative penalties shall be imposed in accordance with the following procedures:</u>
  - (1) Notice of Violation.
- (A) Upon the Planning Department's determination pursuant to Section 176 of this Code that a general advertising sign has been erected, installed, expanded,

intensified, relocated, or otherwise operated in violation of the requirements of this Code or has been denied an in-lieu identifying number pursuant to Section 604.1(c) of this Code, the Director shall send a written notice of violation to the Responsible Party *for delivery* by first class mail, *or*-hand-delivery, *or electronic mail*. The notice of violation shall describe the violation(s), state that the Responsible Party has *thirty five calendar* days from the date postmarked on the notice or *three calendar days* from the date of hand-delivery *or electronic mail delivery* of the notice to: (i) file an application for a permit to remove the general advertising sign; (ii) correct the violation(s) pursuant to *Ss*ubsection (c); or (iii) request reconsideration pursuant to *Ss*ubsection (d). *An electronic mail message shall be considered delivered on the same day that it is sent.* 

(2) Penalties.

(A) Accrual of Penalties. If a Responsible Party fails to respond to the notice of violation as outlined in subsection (b)(1)(A), penalties shall accrue under this Section 610 at the daily rate set forth in subsection (b)(2)(B) beginning on the <u>Accrual Date, which is defined as the sixth day after the date postmarked on a notice delivered by first class mail, or on the thirty firstfourth day after hand-delivery or electronic mail delivery of a notice, and the Director shall refer the matter to the City Attorney for further action. If the Responsible Party responds after the Accrual Datethirty days, but before the Director has referred the matter to the City Attorney, the Responsible Party shall be assessed a penalty based on the number of days that have passed beginning on the Accrual Date until between the end of the thirty day period and the date the Responsible Party responded. Once the matter has been referred to the City Attorney for further proceedings, it shall be within the discretion of the City Attorney, in consultation with the Director, whether to allow the Responsible Party to request a reconsideration of the notice of violation or to proceed with other legal action. If the</u>

Responsible Party is allowed to request reconsideration, the Responsible Party shall pay a penalty based on the amount accrued <u>beginning on the Accrual Date untilbetween the end of the thirty-day period and</u> the date the Responsible Party responded. The Responsible Party shall pay this penalty within five (5) business days of notice that the Responsible Party will be allowed to request reconsideration.

#### (B) Amount of Penalties.

(i) The administrative penalties that the Director or administrative law judge assesses against the Responsible Partyies shall be related to the square footage of the <u>gG</u>eneral <u>aA</u>dvertising <u>sSign</u> found to be in violation of the Planning Code, as shown below:

If the violation for which the administrative penalty is assessed has increased the size of the  $\underline{\mathscr{G}}$ eneral  $\underline{\mathscr{A}}$ dvertising  $\underline{\mathscr{S}}$ ign, the penalty shall be based on the actual size of the  $\underline{\mathscr{C}}$ eneral  $\underline{\mathscr{A}}$ dvertising  $\underline{\mathscr{S}}$ ign.

(d) Reconsideration of Notice of Violation or Administrative Penalty.

#### (1) Reconsideration Hearing.

(A) A Responsible Party may seek reconsideration of the issuance of the notice of violation or any administrative penalty. Any request for reconsideration shall be accompanied by written evidence that demonstrates why the notice of violation was issued in

error or why the administrative penalties were assessed in error. Upon receipt of a request for reconsideration within the time limits established by  $S_{\underline{S}}$  ubsection (b)(1)(A) or when allowed under  $S_{\underline{S}}$  ubsection (b)(2)(A), the Planning Department shall schedule a reconsideration hearing before an administrative law judge. Such hearing shall be scheduled for a date no later than 60 days after the request. At least 10 days before the scheduled hearing, the Planning Department shall notify the Responsible Party by mail in writing of the hearing date, time, and location.

(B) The administrative law judge shall hold a hearing to reconsider the Director's notice of violation or administrative penalty. The administrative law judge's decision for a reconsideration of the notice of violation shall be based upon, but not limited to, the Planning Code, any final Zoning Administrator Interpretations, the Building Code, building permits issued by the City, and any final decisions of the Board of Appeals regarding the subject property. The administrative law judge's determination of a request for reconsideration of any administrative penalty shall take into account the validity of accrual dates, accuracy of assessment based upon sign size and whether the Responsible Party was accurately identified. For repeat violations, the administrative law judge shall also take into account the considerations specified in subsection (f)(3) of this Section 610. Within 30 days of the hearing, the administrative law judge shall issue a final written decision, which shall be mailed to the Responsible Party. The final written decision shall not be appealable to the Board of Appeals. All final written decisions shall inform the Responsible Party of its right to seek judicial review pursuant to the timelines set forth in Section 1094.6 of the California Code of Civil Procedure.

(C) If the Planning Department rescinds the notice of violation or penalties prior to the reconsideration hearing, the case shall be considered abated and all accrued penalties shall be rescinded. If penalties or the reconsideration hearing fee set forth

in  $S_{\underline{S}}$  ubsection (d)(2), below, have been paid, the Planning Department shall refund in a timely matter any unused portions of the penalties or fee.

If the administrative law judge overturns the notice of violation or penalties, the case shall be abated and all accrued penalties shall be rescinded. If penalties have been paid, the Planning Department shall refund the penalties.

If the Responsible Party withdraws its request for reconsideration of notice of violation or penalties prior to the reconsideration hearing and cures the violation(s) by filing for a building permit under subsection\_(c), any accrued penalties shall apply in addition to a mandatory ten-day fixed penalty based upon the daily rate outlined in Subsection (b)(2)(B). If the request for reconsideration is withdrawn within less than 10 days from the date it was timely made, the Responsible Party may apply to the Director for a reduction in the fixed penalty amount based upon the number of days less than 10 that the reconsideration request was withdrawn. Any such reduction shall be granted or denied at the sole discretion of the Director and is not appealable.

If the administrative law judge upholds the notice of violation or penalties, the Responsible Party shall cure the violation(s) by filing for a building permit pursuant to the procedures and requirements of <u>S</u>ubsection (c) within fifteen days of the date the decision is mailed to the Responsible Party. The Responsible Party shall be subject to any accrued penalties, plus a mandatory twenty-day fixed penalty based upon the daily rate outlined in <u>S</u>ubsection (b)(2)(B). If the reconsideration hearing is held within less than 20 days from the date it was timely requested, the Responsible Party may apply to the Director for a reduction in the fixed penalty amount based upon the number of days less than 20 that the reconsideration hearing was held. Any such reduction shall be granted at the sole discretion of the Director and is not appealable. If the Responsible Party does not file for a building permit within the fifteen-day period, additional penalties shall accrue at the daily rate outlined

in  $S_S$ ubsection (b)(2)(B) and the Director shall refer the case to the City Attorney for further action.

(f) Repeat Violations.

\* \* \* \*

- violation of the general advertising provisions of this Article which (£A) occurs on a property that was the subject of a notice of violation under Article 6 during the previous five years and (£B) is owned by the same entity which owned the property upon which the general advertising was located at the time of the earlier violation. A repeat violation shall not include one based upon a notice of violation that was overturned by an administrative law judge or rescinded by the Planning Department under subsection (d)(1)(C) of this Section 610. A Responsible Party may seek reconsideration of a notice of violation for a repeat violation under subsection (d) of this Section 610, provided that the request for reconsideration is filed and all general advertising copy is removed prior to the Accrual Date, as defined in subsection (b)(2)(A) of this Section 610.
- (3) Violations under this subsection (f) shall be treated like other violations of Section 610 except that (i) the 30-day period identified throughout subsection (b) shall be reduced to three business days, (ii) the penalties set forth in subsection (b) shall begin to accrue on the fourth day, and (iii) the general advertising sign and any sign structure must be completely removed from the site within the three-day period. A Responsible Party may seek reconsideration under subsection (d), provided that the request for reconsideration is filed and all general advertising copy is removed prior to expiration of the three-day period. Penalties for violations under this subsection (f) shall accrue as described in subsection (b)(2) of this Section 610, except that the amount of penalties shall be calculated as follows:

To calculate this alternative penalty, the Planning Department may require that all Responsible

Parties provide evidence of their income, such as a lease between the property owner and the Sign

operator or Sign owner, and any agreements between the Sign owner or operator and advertisers or

advertisement placement firms who have contracted to have their advertisements displayed on the Sign

during the relevant time period.

(C) Standard of Review. Pursuant to subsection (d) of this Section 610, a

Responsible Party may request reconsideration of a notice of violation for a repeat violation by an

administrative law judge. In any such proceeding, a rebuttable presumption shall exist that the penalty

amount is reasonable. In reviewing a penalty imposed pursuant to subsection (f)(3) of this Section 610,

the administrative law judge shall give substantial weight to that presumption, but may consider the

nature and egregiousness of the violation, the financial resources of the Responsible Party, the need to

deter illegal conduct, and the Responsible Party's culpability, to determine if the penalty is excessive.

(g) Liens. For any penalties assessed pursuant to this Section 610, the Director may initiate proceedings to make the payment amount due and all additional authorized costs and charges, including attorneys' fees, a lien on the property pursuant to Chapter 100 of the Administrative Code.

This subsection (g) does not apply to a notice of violation that has been overturned by an administrative law judge or rescinded by the Planning Department under subsection (d)(1)(C) of this Section 610.

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

Supervisor Peskin BOARD OF SUPERVISORS

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

Section 6. Severability. If any section, subsection, sentence, clause, phrase, or word of this ordinance, or any application thereof to any person or circumstance, is held to be invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions or applications of the ordinance. The Board of Supervisors hereby declares that it would have passed this ordinance and each and every section, subsection, sentence, clause, phrase, and word not declared invalid or unconstitutional without regard to whether any other portion of this ordinance or application thereof would be subsequently declared invalid or unconstitutional.

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

By:

VICTORIA WONG Deputy City Attorney

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#### LEGISLATIVE DIGEST

[Planning Code - Signs - Exemptions and General Advertising Sign Penalties]

Ordinance amending the Planning Code to clarify that all noncommercial Signs are exempt from regulation pursuant to Planning Code, Article 6; increase penalties for repeat violations for the display of illegal General Advertising Signs; shorten the time before penalties for General Advertising Sign violations begin to accrue; allow property liens for such penalties that go unpaid; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1, and a finding of public necessity, convenience, and welfare under Planning Code, Section 302.

#### **Existing Law**

Planning Code Section 602.10 defines an identifying sign as a sign that "serves to tell only the name, address, and lawful use of the premises upon which the sign is located, or to which it is affixed," including certain mall signs and "[a] bulletin board of a public, charitable or religious institution, used to display announcements relative to meetings to be held on the premises."

Planning Code Section 603 exempts numerous categories of signs from regulation under Article 6 of the Planning Code (Signs), including, among other things, official public notices, traffic control signs, political flags, religious symbols attached to buildings, temporary signs in connection with political campaigns and with civic noncommercial health, safety, and welfare campaigns, commemorative and informational plaques, identifying signs directing patrons of establishments to open space and parking resources, and non-illuminated murals in certain districts.

Planning Code Section 610 sets forth penalties for violations of regulations governing general advertising signs. Responsible parties for the violation include both the property owner on which a sign is placed and the sign company that owns or operates the sign. In general, a Responsible Party has 30 days from issuance of a notice of violation to abate the violation. For repeat violations, the Responsible Party has 3 days from issuance of a notice of violation to abate the violation.

#### Amendments to Current Law

The ordinance would amend Planning Code Section 602.10 to remove "[a] bulletin board of a public, charitable or religious institution, used to display announcements relative to meetings to be held on the premises" from the definition of an identifying sign.

It would also amend Planning Code Section 603 to clarify that all noncommercial signs are exempt from regulation by Article 6 of the Planning Code.

In addition, the ordinance would amend Planning Code Section 610 to enhance the penalties for general advertising sign violations. Specifically, the ordinance would shorten the time within which a Responsible Party must respond to a notice of violation from 30 days to three days (or five days if the notice of violation is sent by mail), after which time penalties begin to accrue. In addition, repeat violations of general advertising sign regulations would be subject to enhanced daily penalties, which would range from a multiple of 2 to 5 times the base penalties for the violation.

For a repeat violation, Responsible Parties would be able opt for an alternative penalty calculation, consisting of the income earned by the Responsible Parties for the display of the illegal general advertising sign, including but not limited to revenue earned by the sign owner or operator from advertisers or advertisement placement firms and revenue earned by the property owner or lessee from the lease or sublease of the property to the sign owner or operator for the duration of the violation, plus an additional 20 percent of that total income amount.

Section 610 would also provide that in a reconsideration hearing, an administrative law judge must make a rebuttable presumption that the penalties imposed are reasonable, but may consider the nature and egregiousness of the violation, the financial resources of the Responsible Party, the need to deter illegal conduct, and the Responsible Party's culpability, to determine whether the penalty is excessive.

In addition, Section 610 would provide that the Director of the Planning Department may make all penalties due and all additional authorized costs and charges, including attorneys' fees, a lien on the property on which the illegal sign is located.

#### **Background Information**

In City and County of San Francisco v. Eller Outdoor Advertising (1987) 192 Cal.App.3d 643, the California Court of Appeal held that in order to avoid constitutional infirmity under the First Amendment, Section 603 must be interpreted to exempt all categories of noncommercial signs from regulation by Article 6 of the Planning Code. This ordinance would amend Section 603 to make it consistent with that decision.

In 2007, the in Ordinance No. 52-07, the City adopted the current penalty scheme for illegal general advertising signs. Since then, according to Planning Department records, roughly 200 additional general advertising signs have been illegally installed in the City, despite the City's ban on new general advertising signs (Proposition G, adopted in March 2002).

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BOARD OF SUPERVISORS Page 2

#### BOARD of SUPERVISORS



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May 24, 2016

File No. 160553

Sarah Jones **Environmental Review Officer** Planning Department 1650 Mission Street, Ste. 400 San Francisco, CA 94103

Dear Ms. Jones:

Attachment

On May 17, 2016, Supervisor Peskin introduced the following proposed legislation:

File No. 160553

Ordinance amending the Planning Code to clarify that all noncommercial Signs are exempt from regulation pursuant to Planning Code, Article 6; increase penalties for repeat violations for the display of illegal General Advertising Signs; shorten the time before penalties for General Advertising Sign violations begin to accrue; allow property liens for such penalties that go unpaid; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1, and a finding of public necessity, convenience, and welfare under Planning Code, Section 302.

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

By: Andrea Ausberry, Assistant Clerk Land Use and Transportation Committee

> Not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it does not

result in a physical change in the environment.

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

Digitally signed by Joy Navarrete Joy Navarrete

DN: cn=Joy Navarrete, o=Planning, ou=Environmental Planning, email=joy.navarrete@sfgov.org, c=US Date: 2016.06.03 11:56:36 -07'00' September 27, 2016

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

Re:

Transmittal of Planning Department Case Number 2016-008022PCA:

Signs-Exemptions and General Advertising Sign Penalties

Board File No. 160553

Planning Commission Recommendation: Approval

Dear Ms. Calvillo and Supervisor Peskin,

On September 15, 2016, the Planning Commission conducted duly noticed public hearings at regularly scheduled meetings to consider the proposed Ordinance that would amend the Planning Code to clarify that all noncommercial signs are exempt from regulation pursuant to Planning Code Article 6, increase penalties for repeat violations for the display of General Advertising Signs, shorten the time before penalties for General Advertising Sign violation begin to accrue and allow property liens for such penalties that go unpaid, introduced by Supervisor Peskin. At the hearing the Planning Commission recommended approval.

The proposed amendments are not defined as a project under CEQA Guidelines Section 15060(c) and 15378 because they do not result in a physical change in the environment.

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,

Aaron D. Starr

Manage of Legislative Affairs

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

Reception: 415.558.6378

Fax: 415.558.6409

Planning Information: 415.558.6377

#### **Transmital Materials**

# CASE NO. 2016-008022PCA Signs- Exemptions and General Advertising Sign Penalties

cc:

Victoria Wong, Deputy City Attorney Sunny Angulo, Aide to Supervisor Peskin Alisa Somera, Office of the Clerk of the Board

#### Attachments:

Planning Commission Resolution
Planning Department Executive Summary

# Planning Commission Resolution No. 19736

**HEARING DATE SEPTEMBER 15, 2016** 

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:

Signs- Exemptions and General Advertising Sign Penalties

Case Number:

2016-008022PCA [Board File No. 160553] Supervisor Peskin / Introduced May 17, 2016

Initiated by: Staff Contact:

Diego R Sánchez, Legislative Affairs

diego.sanchez@sfgov.org, 415-575-9082

Reviewed by:

Aaron Starr, Manager of Legislative Affairs

aaron.starr@sfgov.org, 415-558-6362

RECOMMENDING THAT THE BOARD OF SUPERVISORS ADOPT A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE TO CLARIFY THAT ALL NONCOMMERCIAL SIGNS ARE EXEMPT FROM REGULATION PURSUANT TO PLANNING CODE, ARTCILE 6; INCREASE PENALTIES FOR REPEAT VIOLATIONS FOR THE DISPLAY OF GENERAL ADVERTISING SIGNS; SHORTEN THE TIME BEFORE PENALTIES FOR GENERAL ADVERTISING SIGN VIOLATIONS BEGIN TO ACCRUE; ALLOW PROPERTY LIENS FOR SUCH PENALTIES THAT GO UNPAID; AFFIRMING THE **PLANNING DEPARTMENT'S DETERMINATION** UNDER THE **CALIFORNIA** ENVIRONMENTAL QUALITY ACT; AND MAKING FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN, AND THE EIGHT PRIORITY POLICIES OF PLANNING CODE SECTION 101.1, AND A FINDING OF PUBLIC NECESSITY, CONVENIENCE, AND WELFARE UNDER PLANNING CODE SECTION 302 FINDINGS.

WHEREAS, on May 17, 2016 Supervisor Peskin introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 160553, which would amend the Planning Code to clarify that all noncommercial Signs are exempt from regulation pursuant to Planning Code, Article 6; increase penalties for repeat violations for the display of illegal General Advertising Signs; shorten the time before penalties for General Advertising Sign violations begin to accrue; and allow property liens for such penalties that go unpaid;

WHEREAS, The Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on September 15, 2016; and,

WHEREAS, the proposed Ordinance has been determined to be categorically exempt from environmental review under the California Environmental Quality Act Sections 15060(c)(2) and 15378; 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 Planning Commission has reviewed the proposed Ordinance; and

MOVED, that the Planning Commission hereby recommends that the Board of Supervisors approve the proposed ordinance.

#### **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:

- San Francisco's urban environment and aesthetics set it apart from most large cities in the US. Carefully crafted signage regulations have helped the City's aesthetics and contributed to its distinction.
- The City's voters have repeatedly adopted ballot measures to contain and control General Advertising Signs. These have been adopted in large part to maintain and improve the City's aesthetics.
- 3. Ordinances to bolster existing sign regulations, and in particular those for General Advertising Signs, align with the voting electorate's policy preference for meaningful signage controls.
- 4. Clarifying sign exemptions, increasing penalties for repeat General Advertising Sign violators, accelerated response times for General Advertising Sign violators and new methods to assure the City collects unpaid penalties are all methods to improve the City's signage regulations and are consistent with the policy direction for sign regulations.
- 5. **General Plan Compliance.** The proposed Ordinance is consistent with the following Objectives and Policies of the General Plan:

#### URBAN DESIGN ELEMENT

#### **OBJECTIVE 4**

IMPROVEMENT OF THE NEIGHBORHOOD ENVIRONMENT TO INCREASE PERSONAL SAFETY, COMFORT, PRIDE AND OPPORTUNITY.

#### Policy 4.14

Remove and obscure distracting and cluttering elements.

The proposed Ordinance will help to better regulate signs in the City, including illegal General Advertising Signs. Illegal signage is often culpable for the street clutter that detracts from the City's urban streetscape.

#### **VAN NESS AVENUE AREA PLAN**

#### **OBJECTIVE 8**

CREATE AN ATTRACTIVE STREET AND SIDEWALK SPACE WHICH CONTRIBUTES TO THE TRANSFORMATION OF VAN NESS AVENUE INTO A RESIDENTIAL BOULEVARD.

#### Policy 8.11

Permit general advertising signs, business signs and other identifying signs. Permitted signs should meet the following design criteria.

The proposed Ordinance will aid enforcement efforts on General Advertising signs that are illegally installed or that are altered to not meet the design criteria in the Van Ness Avenue Area Plan, including that General advertisement Signs should conform to State Outdoor Advertisement regulations requiring that no advertising display shall be placed within 100 feet from another advertising display.

- 6. Planning Code Section 101 Findings. The proposed amendments to the Planning Code are consistent with the eight Priority Policies set forth in Section 101.1(b) of the Planning Code in that:
  - 1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;
    - The proposed Ordinance would not have a negative effect on neighborhood serving retail uses and will not have a negative effect on opportunities for resident employment in and ownership of neighborhood-serving retail as the Ordinance concerns itself with sign regulations.
  - 2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;
    - The proposed Ordinance would not have a negative effect on housing or neighborhood character because the Ordinance amends sign regulations.
  - That the City's supply of affordable housing be preserved and enhanced;
    - The proposed Ordinance would not have an adverse effect on the City's supply of affordable housing as it focuses on regulating signs.
  - 4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking;
    - The proposed Ordinance would not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking because the Ordinance proposes to amend the City's sign regulations.

- 5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;
  - The proposed Ordinance would not cause displacement of the industrial or service sectors due to office development, and future opportunities for resident employment or ownership in these sectors would not be impaired because the Ordinance concerns itself with sign regulations.
- 6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;
  - The proposed Ordinance would not have an adverse effect on City's preparedness against injury and loss of life in an earthquake as it deals with the regulation of signs.
- 7. That the landmarks and historic buildings be preserved;
  - The proposed Ordinance would not have an adverse effect on the City's Landmarks and historic buildings.
- 8. That our parks and open space and their access to sunlight and vistas be protected from development;
  - The proposed Ordinance would not have an adverse effect on the City's parks and open space and their access to sunlight and vistas.
- 7. Planning Code Section 302 Findings. The Planning Commission finds from the facts presented that the public necessity, convenience and general welfare require the proposed amendments to the Planning Code as set forth in Section 302.

# CASE NO. 2016-008022PCA Signs- Exemptions and General Advertising Sign Penalties

NOW THEREFORE BE IT RESOLVED that the Commission hereby recommends that the Board ADOPT the proposed Ordinance described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on September 15, 2016.

Jonas P. Ionin

Commission Secretary

AYES:

Hillis, Johnson, Koppel, Moore, Fong

NOES:

None

ABSENT:

Richards

ADOPTED:

September 15, 2016

# **Executive Summary Planning Code Text Amendment**

## HEARING DATE: SEPTEMBER 15, 2016

Project Name:

Signs-Exemptions and General Advertising Sign Penalties

Case Number:

**2016-008022PCA** [Board File No. 160553]

**EXPIRATION DATE: OCTOBER 13, 2016** 

Initiated by:

Supervisor Peskin / Introduced May 17, 2016

Staff Contact:

Diego R Sánchez, Legislative Affairs

diego.sanchez@sfgov.org, 415-575-9082

Reviewed by:

Aaron Starr, Manager of Legislative Affairs

aaron.starr@sfgov.org, 415-558-6362

Recommendation:

Recommend Approval

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

Reception: 415.558.6378

Fax:

415.558.6409

Planning Information: 415.558.6377

#### PLANNING CODE AMENDMENT

The proposed Ordinance would amend the Planning Code to clarify that all noncommercial Signs are exempt from regulation pursuant to Planning Code, Article 6. It would also increase penalties for repeat violations for the display of illegal General Advertising (GA) Signs, shorten the time before penalties for GA Sign violations begin to accrue and allow property liens for such penalties that go unpaid.

#### The Way It is Now:

#### Identifying, Exempted and other Signs

- 1. A bulletin board of a public, charitable or religious institution, used to display announcements relative to meetings to be held on the premises is an Identifying Sign.
- 2. Religious symbols attached to buildings, if not projecting beyond any street property line or setback line, are exempt from the restrictions under Article 6.
- 3. Information plaques or signs which identify to the public open spaces, architectural features, creators of artwork, or an Identifying Sign directing the public to open spaces or parking resources projecting not more than three inches from the wall and with dimensions no greater than 24 inches by 24 inches are exempt from the restrictions under Article 6.
- 4. Flags indicating weather conditions and single flags that are emblems of business firms, enterprises and other organizations are exempt from the restrictions under Article 6.
- 5. Non-illuminated art murals within the South of Market Mixed Use Districts and the Eastern Neighborhood Mixed Use Districts, except for the Urban Mixed Use District, are exempt from the restrictions of Article 6 if they project no more than 18 inches from the pre-existing surface of a structure.

#### General Advertising Signs

- 6. The Responsible Party for a violation of GA Sign requirements has 30 calendar days to either file an application to remove the GA Sign, correct the violation, or request reconsideration of the violation.
- 7. A Repeat Violation is subject to the same administrative penalties as an initial violation of the GA Sign requirements. These are based on the size of the GA Sign found in violation of the Planning Code and are assessed for every day in violation.

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8. The Planning Department (Department) coordinates with the Bureau of Delinquent Revenue Collection for payment of assessed GA Sign penalties that go unpaid.

#### The Way It Would Be:

#### Identifying, Exempted and other Signs

- A bulletin board of a public, charitable or religious institution, used to display announcements
  relative to meetings to be held on the premises would no longer be an Identifying Sign. It would be
  regulated under other existing sign controls including, but not limited to, exempted signs or business
  signs.
- 2. Religious symbols without limits to their projection over the street property line or setback line would be exempt from the restrictions under Article 6.
- 3. Information plaques or signs which identify to the public open spaces, architectural features, creators of artwork, or an Identifying Sign directing the public to open spaces or parking resources without limits to their dimensions would be exempt from the restrictions under Article 6.
- 4. Flags indicating weather conditions would be considered signs exempt from the restrictions under Article 6. Single flags which are emblems of business firms, enterprises and other organizations would no longer be exempt from the restrictions under Article 6. They would be considered Wind Signs.
- 5. Art murals, including non-illuminated art murals, in any zoning district and of any projection would be considered exempt from the restrictions of Article 6.

#### General Advertising Signs

- 6. The Responsible Party for a violation of GA Sign requirements would have five calendar days from the date of a postmarked notice of violation, or three calendar days from the hand delivery or electronic mail delivery date of a notice, to either file a permit application to remove the GA Sign, correct the violation, or request reconsideration of the violation.
- 7. The Responsible Party for a Repeat Violation may elect one of two ways in which to calculate accrued penalties. The first is the "Daily Penalties." These are also based on the size of the GA Sign found in violation of the Planning Code. However, on the first day in violation, the penalty is twice the amount of the penalty for an initial violation, three times on the second day in violation, four times on the third day in violation and five times for each subsequent day in violation. The second is the "Alternative Penalty." The Alternative Penalty consists of the income earned for the display of the illegal GA Sign, including revenue earned by the Sign owner or operator from advertisement placement and revenue earned by the property owner or lessee from the lease of the property to the Sign owner or operator, plus an additional 20% of that total income.
- The Planning Director would be able to initiate proceedings to make payment for unpaid assessed GA Sign penalties, and all additional authorized costs, a lien on the property pursuant to Administrative Code Chapter 100.

#### **ISSUES AND CONSIDERATIONS**

#### Signs and the City's Streetscape

It is important that the City's sign controls serve its interest in aesthetics and safety while safeguarding the First Amendment right to free speech. Signs have important civic, institutional, wayfinding and commercial purposes; however, misplaced, disproportioned or an excessive number of signs detract from the visual qualities of the urban environment. They may even create pedestrian and motorist hazards. At

Executive Summary
Hearing Date: September 15, 2016

the same time, sign controls must comply with the First Amendment, and to that end must not regulate noncommercial speech based on content. It is therefore imperative that the City continue to refine its sign controls to ensure public beauty and safety while complying with the First Amendment by clarifying that all noncommercial speech is exempt from regulation under Article 6.

#### **Ballot Measures Regulating General Advertising Signs**

San Francisco voters have repeatedly approved ballot measures that enhance the City's regulations on General Advertising Signs. For example, in March 2002 San Francisco voters overwhelmingly approved Proposition G. This Proposition amended the Planning Code to prohibit the installation of new GA Signs.<sup>1</sup> In November 2007 voters approved Proposition K, a policy statement declaring the proliferation of advertising signs in the public right of way as contributors to urban blight and visual clutter.<sup>2</sup> In November 2009 the San Francisco voters once again approved a measure to limit advertising signs. Proposition E prohibited an increase in the number of GA signs on street furniture and prohibited new GA Signs on City-owned buildings.<sup>3</sup> Together these measures indicate a preference of the City's voting electorate to restrain the proliferation of GA Signs as a means to improve neighborhood aesthetics and character.

#### **General Advertising Sign Enforcement**

#### **Initial Violations**

The intent of the Department's GA Sign enforcement procedures is to eliminate illegal GA Signs and discourage violation of the GA Sign regulations. The procedures consist of multiple steps. The first is to determine whether a GA Sign has either been erected, installed, expanded, intensified, relocated or is operating in violation of Planning Code requirements. If staff determines that a violation exists, a notice of violation is sent to the responsible party by first class mail. The notice describes the violation and provides the responsible party 30 days to respond in one of the three ways. The first is to file a permit application to remove the GA Sign. The second is to correct the violation. The third is to request reconsideration of the notice due to an error in issuance. If the Responsible Party fails to respond to the notice within the 30 days, administrative penalties are assessed. Penalties are assessed per violation on a daily basis and their magnitude depends on the size of the GA Sign found in violation (*See Table 1: GA Sign Penalty Amounts*).

http://sf-planning.org/sites/default/files/FileCenter/Documents/3284-PropositionG.pdf Election results:

http://sfgov.org/elections/results-summary-mar-2002

http://sfpl.org/pdf/main/gic/elections/November6 2007.pdf

Election results:

http://sfgov.org/elections/election-summary

http://sfpl.org/pdf/main/gic/elections/November3 2009.pdf

Election results:

http://sfgov.org/elections/november-3-2009-municipal-election-results-summary

SAN FRANCISCO
PLANNING DEPARTMENT

<sup>&</sup>lt;sup>1</sup> March 2002 Proposition G

<sup>&</sup>lt;sup>2</sup> November 2007 Proposition K (page 102)

<sup>&</sup>lt;sup>3</sup> November 2009 Proposition E (page 47):

Hearing Date: September 15, 2016

TABLE 1: GA SIGN PENALTY AMOUNTS (Planning Code Section 610(b)(2)(B))

SIGN SIZE	PENALTY PER DAY PER VIOLATION
100 Square Feet or Less	\$100
101 – 300 Square Feet	\$1,000
301 – 500 Square Feet	\$1,750
Over 500 Square Feet	\$2,500

Under certain circumstances, the 30 day response period is an ineffective deterrent to installing unauthorized GA Signs. In the case of short term or one-time events, the 30 day response period can be too generous a time frame. The GA Sign can publicize the event and the event can conclude well within the 30 day response period. Any costs associated with legally removing the GA Sign may be absorbed by the event host. However, no penalties would be assessed or accrued.

#### **Subsequent Violations**

Repeat violations, defined as a violation occurring on a property subject to a notice of violation during the previous five years and owned by the same entity at the time of the earlier violation, are subject to an accelerated response time prior to penalty assessment. Instead of 30 days, a response is required in three days or penalties are assessed. However, the penalty rates are currently the same as those for first time violations. While repeat violations are not extremely common, it is worthwhile to bolster repeat violation penalties. Strengthened penalties serve as a deterrent to repeatedly violating GA Sign regulations while also compensating the public for the injury and damage caused by the GA Sign violation.

#### Penalty Collection

When GA Sign penalties are assessed, it has been the Department's experience that violators typically pay those penalties within a reasonable time frame; however, on occasion, the GA Sign owner in violation does not pay assessed penalties at all. In these instances, the Department has worked with the Bureau of Delinquent Revenue Collection to retrieve outstanding penalties. This typically occurs many weeks into the process. Delinquent amounts are then able to be made into a lien on the property with the GA Sign violation. It would be useful if an official from the Planning Department was enabled to begin lien proceedings earlier in the enforcement process so that it could serve as a deterrent to potential GA Sign violators or those delaying payment of penalties.

#### 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 Department supports the proposed Ordinance because it further aligns the Planning Code's sign controls with the First Amendment's protection of noncommercial speech. The Department also supports the proposed strengthened deterrents to violating GA Sign controls. The accelerated violation response timeframe, updated penalty elections and the possibility of early lien proceeding initiation will serve as

**Executive Summary** 

Hearing Date: September 15, 2016

valuable tools. Further, the Ordinance proposes changes in line with the multiple voter-approved ballot measures supporting the containment and enhanced control of GA Signs. Taken as a whole, the proposed amendments serve the City's interest in improving its physical aesthetics and public safety through enhanced sign regulation.

#### IMPLEMENTATION

The Department has determined that this Ordinance will impact our current implementation procedures; however the proposed changes can be implemented without increasing permit costs or review time.

#### 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.

#### **ENVIRONMENTAL REVIEW**

The proposed amendments are not defined as a project under CEQA Guidelines Section 15060(c)(2) and 15378 because they do not result in a physical change in the environment.

#### **PUBLIC COMMENT**

As of the date of this report, the Planning Department has not received any public comment regarding the proposed Ordinance.

**RECOMMENDATION:** 

Recommend Approval

#### Attachments:

Exhibit A:

**Draft Planning Commission Resolution** 

Exhibit B:

Board of Supervisors File No. 160553





#### SMALL BUSINESS COMMISSION OFFICE OF SMALL BUSINESS

CITY AND COUNTY OF SAN FRANCISCO
EDWIN M. LEE. MAYOR

October 6, 2016

Ms. Angela Calvillo, Clerk of the Board City Hall Room 244 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4689

RE: BOS File No. 160553 [Planning Code - Signs - Exemptions and General Advertising Sign Penalties]

Small Business Commission Recommendation to the Board of Supervisors: Approval

Dear Ms. Calvillo,

On September 26, 2016, the Small Business Commission (SBC) voted (6-1) to recommend that the Board of Supervisors approve BOS File No. 160553.

The Commission recognizes and appreciates the efforts of Supervisor Peskin's office, whose staff conducted research and worked with the Commission to ensure that the implications of the proposed legislation were properly understood and considered.

The Commission recognizes that the City needs more effective enforcement provisions to deal with egregious violations of general advertising sign limits. The Commission is also aware that the law applies to smaller-scale general advertising signs, and appreciates that the Planning Department's approach to small businesses would be to promote compliance through cooperation and education, rather than punitive measures.

Thank you for considering the Commission's comments. Please feel free to contact me should you have any questions.

Sincerely,

Regina Dick-Endrizzi

Director, Office of Small Business

cc:

Aaron Peskin, Board of Supervisors

Lee Hepner, Office of Supervisor Aaron Peskin

Nicole Elliott, Mayor's Office

ZMIck Endenzi

John Rahaim, Planning Department

Lisa Pagan, Office of Economic and Workforce Development

Alisa Somera, Land Use & Transportation Committee

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#### PRESS RELEASES

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#### OUT OF HOME ADVERTISING UP 4.6% TO \$7.3 BILLION IN 2015

FOR IMMEDIATE RELEASE

Contact: Nicole Hayes (202) 833-5566 nhayes@oaaa.org



2015 Revenue Tops Previous Historical High Set in 2007

**March 3, 2016 (Washington, DC)** – Out of home (OOH) advertising revenue rose 4.6 percent in 2015 compared to the previous year, accounting for \$7.3 billion, based on figures released by the Outdoor Advertising Association of America (OAAA). OOH spend was up 5.8 percent in the fourth quarter, compared to 2014. The revenue total marks an all-time high for OOH with 23 consecutive quarters of growth since the recession.

"The new record-high revenue OOH achieved in 2015 proves advertisers recognize the medium's value, said OAAA President & CEO Nancy Fletcher. "OOH is the only form of traditional media, other than cable TV, posting continuous growth in a fragmented advertising market."

Among the top revenue categories, those with the greatest growth increase in 2015 included Miscellaneous Local Services & Amusements +9 percent; Retail +8 percent; Government, Politics and Organizations +6 percent; Automotive Dealers & Services +6%; and Financial +4%.

Of the top 100 OOH advertisers in 2015, 53 had increases in OOH spend equal or greater to the industry increase of 4.6 percent. Ranked in order of OOH spending, the top 10 advertisers in 2015 were McDonalds, Apple, Verizon, Warner Bros Pictures, Metro PCS, Coca-Cola, Geico, Universal Pictures, Chase, and Samsung. McDonalds and Apple retained the top two positions for the third consecutive year.

The top 20 parent company advertisers included six from the technology sector: Apple, Deutsche Telekom AG, Verizon, AT&T, Google and Samsung. Among the top 100 OOH advertisers with the greatest spend increase for 2015 were Amazon, Beats Store, Boost Mobile, Draft Kings, Epson, Ford, IBM, Lyft, Microsoft, Netflix, Planet Fitness, Sprint, T-Mobile, Verizon, and Yahoo. New to the top 100 list were Draft Kings, Epson, Lyft, and Yahoo.

"OOH's ability to augment mobile, online, and social media efforts is one of the many reasons the industry posted strong growth with both local and national advertisers in 2015," said Stephen Freitas, OAAA chief marketing officer. "The expansion of digital OOH formats provides advertisers with broader opportunities to engage with today's mobile consumers. These factors are the foundation for the positive outlook media analysts are projecting for OOH over the next few years."

Outdoor Advertising Association of America, Inc. > News & Events > Press Releases

OA ues full industry pro forma revenue estimates that inclu t are not limited to, Miller Kaplan and Kantar Media (which is not adjusted to reflect changes in data sources), and member company affidavits. Revenue estimates include digital and static billboard, street furniture, transit, and alternative OOH (which includes digital place-based video and cinema advertising).

For more information about specific category spend, please contact Nicole Hayes at nhayes@oaaa.org or (202) 833-5566.

OAAA is the national trade association for the out of home (OOH) advertising industry. Founded in 1891, the association represents more than 90 percent of the US OOH industry based on revenues. OAAA is dedicated to leading and uniting a responsible OOH industry committed to serving advertisers, consumers, and communities. The OOH industry generates more than \$7 billion annually in ad revenues and donates more than \$450 million in space each year. For more information, please visit www.oaaa.org.

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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

May 24, 2016

File No. 160553

Sarah Jones Environmental Review Officer Planning Department 1650 Mission Street, Ste. 400 San Francisco, CA 94103

Dear Ms. Jones:

On May 17, 2016, Supervisor Peskin introduced the following proposed legislation:

File No. 160553

Ordinance amending the Planning Code to clarify that all noncommercial Signs are exempt from regulation pursuant to Planning Code, Article 6; increase penalties for repeat violations for the display of illegal General Advertising Signs; shorten the time before penalties for General Advertising Sign violations begin to accrue; allow property liens for such penalties that go unpaid; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1, and a finding of public necessity, convenience, and welfare under Planning Code, Section 302.

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

By: Andrea Ausberry, Assistant Clerk
Land Use and Transportation Committee

Attachment

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



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

May 24, 2016

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

Dear Commissioners:

On May 17, 2016, Supervisor Peskin introduced the following legislation:

File No. 160553

Ordinance amending the Planning Code to clarify that all noncommercial Signs are exempt from regulation pursuant to Planning Code, Article 6; increase penalties for repeat violations for the display of illegal General Advertising Signs; shorten the time before penalties for General Advertising Sign violations begin to accrue; allow property liens for such penalties that go unpaid; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1, and a finding of public necessity, convenience, and welfare under Planning Code, Section 302.

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

Angela Calvillo, Clerk of the Board

Auberry

By: Andrea Ausberry, Assistant Clerk

Land Use and Transportation Committee

Aaron Starr, Acting Manager of Legislative Affairs Scott Sanchez, Zoning Administrator Sarah Jones, Chief, Major Environmental Analysis AnMarie Rodgers, Legislative Affairs Jeanie Poling, Environmental Planning Joy Navarrete, Environmental Planning



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:

Regina Dick-Endrizzi, Director

Small Business Commission, City Hall, Room 448

FROM:

Andrea Ausberry, Assistant Clerk

Land Use and Transportation Committee

DATE:

May 24, 2016

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. 160553

Ordinance amending the Planning Code to clarify that all noncommercial Signs are exempt from regulation pursuant to Planning Code, Article 6; increase penalties for repeat violations for the display of illegal General Advertising Signs; shorten the time before penalties for General Advertising Sign violations begin to accrue; allow property liens for such penalties that go unpaid; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1, and a finding of public necessity, convenience, and welfare under 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.

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RESPONSE FROM SMALL BUSINE	ESS COMMISSION - Date:
No Comment	
Recommendation Attached	

Chairperson, Small Business Commission



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

### MEMORANDUM

TO:

Tom Hui, Director, Department of Building Inspection

FROM:

Andrea Ausberry, Assistant Clerk

Land Use and Transportation Committee

DATE:

May 24, 2016

SUBJECT:

LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following proposed legislation, introduced by Supervisor Peskin on May 17, 2016.

### File No. 160553

Ordinance amending the Planning Code to clarify that all noncommercial Signs are exempt from regulation pursuant to Planning Code, Article 6; increase penalties for repeat violations for the display of illegal General Advertising Signs; shorten the time before penalties for General Advertising Sign violations begin to accrue; allow property liens for such penalties that go unpaid; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1, and a finding of public necessity, convenience, and welfare under Planning Code, Section 302.

If you have comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: andrea.ausberry@sfgov.org

c: Sonya Harris, Building Inspection Commission
William Strawn, Department of Building Inspection
Carolyn Jayin, Department of Building Inspection

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[Approval of a 30-Day Extension for Planning Commission Review of Exemptions and General Advertising Sign Penalties (File No. 160553)]

Resolution extending by 30 days the prescribed time within which the Planning Commission may render its decision on an Ordinance (File No. 160553) amending the Planning Code to clarify that all noncommercial Signs are exempt from regulations pursuant to Planning Code, Article 6; increase penalties for repeat violations for the display of illegal General Advertising Signs; shorten the time before penalties for General Advertising Sign violations begin to accrue; allow property liens for such penalties that go unpaid; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1, and a finding of public necessity, convenience, and welfare under Planning Code, Section 302.

WHEREAS, On May 17, 2016, Supervisor Peskin introduced legislation amending the Planning Code to clarify that all noncommercial Signs are exempt from regulations pursuant to Planning Code, Article 6; increase penalties for repeat violations for the display of illegal General Advertising Signs; shorten the time before penalties for General Advertising Sign violations begin to accrue; allow property liens for such penalties that go unpaid; and affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of the Planning Code, Section 101.1, and a finding of public necessity, convenience, and welfare under Planning Code, Section 302; and

WHEREAS, On or about June 15, 2016, the Clerk of the Board of Supervisors referred the proposed ordinance to the Planning Commission; and

WHEREAS, The Planning Commission shall, in accordance with Planning Code, Section 306.4(d), render a decision on the proposed Ordinance 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 90 days shall be deemed to constitute disapproval; and

WHEREAS, The Board, in accordance with Planning Code, Section 306.4(d) may, by Resolution, extend the prescribed time within which the Planning Commission is to render its decision on proposed amendments to the Planning Code that the Board of Supervisors initiates; and

WHEREAS, Supervisor Peskin has requested additional time for the Planning Commission to review the proposed Ordinance; and

WHEREAS, The Board deems it appropriate in this instance to grant to the Planning Commission additional time to review the proposed Ordinance and render its decision; now, therefore, be it

RESOLVED, That by this Resolution, the Board hereby extends the prescribed time within which the Planning Commission may render its decision on the proposed Ordinance for approximately 30 additional days, until October 13, 2016.



## City and County of San Francisco Tails

City Hall 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4689

### Resolution

File Number: 160875

Date Passed: August 02, 2016

Resolution extending by 30 days the prescribed time within which the Planning Commission may render its decision on an Ordinance (File No. 160553) amending the Planning Code to clarify that all noncommercial Signs are exempt from regulations pursuant to Planning Code, Article 6; increase penalties for repeat violations for the display of illegal General Advertising Signs; shorten the time before penalties for General Advertising Sign violations begin to accrue; allow property liens for such penalties that go unpaid; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1, and a finding of public necessity, convenience, and welfare under Planning Code, Section 302.

August 02, 2016 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang, Wiener and Yee

File No. 160875

I hereby certify that the foregoing Resolution was ADOPTED on 8/2/2016 by the Board of Supervisors of the City and County of San Francisco.

> Angela Calvillo Clerk of the Board

Date Approved

Print Form

# **Introduction Form**

By a Member of the Board of Supervisors or the Mayor

Time stamp

I hereby submit the following item for introduction (select only one):
□ 1. For reference to Committee. (An Ordinance, Resolution, Motion, or Charter Amendment)
☐ 2. Request for next printed agenda Without Reference to Committee.
☐ 3. Request for hearing on a subject matter at Committee.
4. Request for letter beginning "Supervisor inquires"
5. City Attorney request.
☐ 6. Call File No. from Committee.
☐ 7. Budget Analyst request (attach written motion).
8. Substitute Legislation File No.
9. Reactivate File No.
☐ 10. Question(s) submitted for Mayoral Appearance before the BOS on
☐ Planning Commission ☐ Building Inspection Commission  Note: For the Imperative Agenda (a resolution not on the printed agenda), use a Imperative Form.  Sponsor(s):
Supervisor Aaron Peskin
Subject:
[Planning Code - Signs]
The text is listed below or attached:
Ordinance amending the Planning Code to clarify that all noncommercial Signs are exempt from regulation pursuant to Article 6; increase penalties for repeat violations for the display of illegal General Advertising Signs; shorten the time before penalties for General Advertising Sign violations begin to accrue; and allow property liens for such penalties that go unpaid; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan and the eight priority policies of Planning Code Section 101.1, and a finding of public necessity, convenience, and welfare under Planning Code Section 302.
Signature of Sponsoring Supervisor:
For Clerk's Use Only: