



SAN FRANCISCO PLANNING DEPARTMENT

Memo to the Planning Commission

HEARING DATE: JUNE 18, 2015

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]

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

Reception:
415.558.6378

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415.558.6409

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Information:
415.558.6377

One 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.

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



Exhibit A

SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Draft Resolution

HEARING DATE JUNE 18, 2015

1650 Mission St.
Suite 400
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CA 94103-2479

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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 OPPORTUNIT TO CONSIDER BOARD FILE 150571- FEE WAIVER FOR IN-LAW UNITS.

WHEREAS, On June 2, 2015, Mayor Edwin Lee introduced an Ordinances 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

AYES:

NOES:

**Resolution XXXXXX
June 18, 2015**

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

ABSENT:

ADOPTED: June 18, 2015



Exhibit B
**SAN FRANCISCO
PLANNING DEPARTMENT**

Planning Commission Draft Resolution
HEARING DATE JUNE 18, 2015

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

Reception:
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Planning
Information:
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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

AYES:

NOES:

Resolution XXXXXX
June 18, 2015

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

ABSENT:

ADOPTED: ~~November 21, 2013~~ June 18, 2015

Exhibit C

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

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; affirming**
5 **the Planning Department's determination under the California Environmental Quality**
6 **Act; and making findings of consistency with the General Plan, Planning Code, Section**
7 **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 *strikethrough italics Times New Roman font*.
11 **Board amendment additions** are in double-underlined Arial font.
12 **Board amendment deletions** are in ~~strikethrough 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 that the
23 actions contemplated in this ordinance are consistent, on balance, with the City's General
24 Plan and eight priority policies of Planning Code Section 101.1. The Board adopts these
25 findings as its own. A copy of said Resolution is on file with the Clerk of the Board of
Supervisors in File No. _____, and is incorporated herein by reference.

1 (c) Pursuant to Planning Code Section 302, this Board finds that this Planning Code
2 Amendment will serve the public necessity, convenience, and welfare for the reasons set forth
3 in Planning Commission Resolution No. _____ and the Board incorporates such reasons
4 herein by reference.

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

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

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

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

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

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

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

18 19 Section 2. Fee Waivers

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

24 (b) Notwithstanding any provision of the Building Code, including the fee schedules of
25 Tables 1A-A and 1A-E, the Plan Review Fee related to reviewing permit applications, or a

1 portion of a permit application, seeking to legalize existing dwelling units that were
2 constructed without the required permits is hereby waived for any permit issued for such
3 activities prior to January 1, 2020; provided that other fees, including but not limited to fees for
4 applications to undertake structural work or excavation activities or any fees required by
5 State law, shall not be waived.

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

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

13
14 Section 3. Effective Date. This ordinance shall become effective 30 days after
15 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
16 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
17 of Supervisors overrides the Mayor's veto of the ordinance.

18
19 APPROVED AS TO FORM:
20 DENNIS J. HERRERA, City Attorney

21 By:


22 KATE H. STACY
23 Deputy City Attorney

24 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.

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Exhibit D

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. 150568

Ordinance amending the Administrative Code to add the Citywide Affordable Housing Fund as a Category Eight self-appropriating fund; amending the Planning and Subdivision Codes to make corresponding changes to affordable housing fee provisions related to the Citywide Affordable Housing Fund; revising the Mayor's Housing Programs Fees Fund to change it to a Category Eight self-appropriating fund; 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.

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

1 [Administrative, Planning, Subdivision Codes - Citywide Affordable Housing Fund, Mayor's
2 Housing Programs Fees Fund]

3 **Ordinance amending the Administrative Code to add the Citywide Affordable Housing**
4 **Fund as a Category Eight self-appropriating fund; amending the Planning and**
5 **Subdivision Codes to make corresponding changes to affordable housing fee**
6 **provisions related to the Citywide Affordable Housing Fund; revising the Mayor's**
7 **Housing Programs Fees Fund to change it to a Category Eight self-appropriating fund;**
8 **affirming the Planning Department's determination under the California Environmental**
9 **Quality Act; and making findings of consistency with the General Plan, and the eight**
10 **priority policies of Planning Code, Section 101.1.**

11 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
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14 **Board amendment additions** are in double-underlined Arial font.
15 **Board amendment deletions** are in ~~strikethrough Arial font~~.
16 **Asterisks (* * * *)** indicate the omission of unchanged Code
17 subsections or parts of tables.

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

19 Section 1. Findings.

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

25 (b) On _____, the Planning Commission, in Resolution No. _____, adopted
findings that the actions contemplated in this ordinance are consistent, on balance, with the

1 City's General Plan and eight priority policies of Planning Code Section 101.1. The Board
2 adopts these findings as its own. A copy of said Resolution is on file with the Clerk of the
3 Board of Supervisors in File No. _____, and is incorporated herein by reference.

4 (c) Pursuant to Planning Code Section 302, this Board finds that this Planning Code
5 Amendment will serve the public necessity, convenience, and welfare for the reasons set forth
6 in Planning Commission Resolution No. _____, and the Board incorporates such reasons
7 herein by reference.

8
9 Section 2. The Administrative Code is hereby amended by adding Section 10.100-49
10 and revising Section 10.100-117, to read as follows:

11 **SEC. 10.100-49. CITYWIDE AFFORDABLE HOUSING FUND.**

12 (a) Establishment of Fund. The Citywide Affordable Housing Fund is established as a
13 category eight fund to receive fee revenue dedicated to affordable housing and other contributions to
14 the fund. The fund receives money from, among other sources:

15 _____ (1) The Jobs Housing Linkage Program, Planning Code Section 413 et seq.;

16 _____ (2) The Inclusionary Affordable Housing Program, Planning Code Section 415 et
17 seq.;

18 _____ (3) The Market and Octavia Affordable Housing Program, Planning Code Section
19 416.5;

20 _____ (4) The Eastern Neighborhoods Housing Fund, Planning Code Section 423.5;

21 _____ (5) The Expedited Condominium Conversion Program, Subdivision Code Section
22 1396.4; and.

23 _____ (6) Repayments of loans and other program income associated with investments
24 initially made with monies from the fund.

1 (b) Use of Fund. The fund is to be used exclusively by the Mayor's Office of Housing and
2 Community Development, or its successor, for the purpose of supporting affordable housing in San
3 Francisco. Specific eligible uses of the fund are delineated for each fee in the code where the fee is
4 established. Within the fund, all fees, repayments, and program income shall be separately accounted
5 for as required by each fee.

6 (c) Exceptions to Fund Category. The Director of the Mayor's Office of Housing and
7 Community Development shall approve all expenditures from the fund.

8 (d) Administration of Fund. The Mayor's Office of Housing and Community Development, or
9 its successor, shall administer the fund and shall report annually to the Board of Supervisors on the
10 current status of the fund, the amounts approved for disbursement, and the number and types of
11 housing units or households assisted. The Mayor's Office of Housing and Community Development
12 shall have the authority to prescribe rules and regulations governing the Fund.

13
14 **SEC. 10.100-117. MAYOR'S ~~OFFICE OF~~ HOUSING PROGRAMS FEES FUND.**

15 (a) Establishment of Fund. The Mayor's Housing Programs Fees Fund is established
16 as a category ~~two~~ eight fund to receive monies from fees earned by the Mayor's Office of
17 Housing and Community Development in connection with the administration of affordable
18 housing. Such fees shall include, but are not be limited to, fees from single-family and
19 multifamily housing mortgage revenue bonds as issuer or as administrator, fees from the
20 California Natural Disaster Assistance Program, and fees from similar housing programs in
21 which the city earns fees for services provided by the Mayor's Office of Housing and
22 Community Development. This Section 10.100-117 shall not authorize the levy of fees except as
23 otherwise provided by ordinance or resolution of the Board of Supervisors.

24 (b) Use of Fund. The fund shall be used for the purpose of supporting the City's
25 efforts to provide affordable housing for persons and households of low and moderate income

1 in the City. For the purposes of this Fund, "low and moderate income" shall mean incomes
2 which are not greater than 120 percent of median for San Francisco, as defined by the United
3 States Department of Housing and Urban Development. Monies from the Fund may be used
4 for the following purposes:

5 ~~(1-)~~ To pay the costs of the Mayor's Office of Housing and Community Development
6 for administering housing programs for which administrative funding is not otherwise available
7 from the City's General Fund, federal or state grants, or other sources of administrative
8 funding. Such programs shall include the City's single-family and multifamily housing
9 mortgage revenue bond programs, the first time homebuyer programs, rental housing
10 development programs, and the monitoring of units to ensure their continued affordability.

11 ~~(2-)~~ To the extent that monies are available and not needed to cover current and
12 anticipated future administrative costs described in Subparagraph (1), ~~and with the approval of~~
13 ~~the Board of Supervisors, to the Mayor's Office of Housing and Community Development may~~ transfer
14 said monies to the Citywide Affordable Housing Fund, Administrative Code Section 10.100-49, to
15 make loans or grants for the development of affordable housing in the City.

16 (c) Exceptions to Fund Category. The Director of the Mayor's Office of Housing and
17 Community Development shall approve expenditures from the fund.

18 (d) Administration of Fund. The Mayor's Office of Housing and Community Development
19 shall administer the fund, and in such capacity shall review the needs of the administration of
20 affordable housing programs and the availability of monies from the fund for other eligible
21 purposes. ~~Funds for administration of affordable housing programs shall be appropriated through the~~
22 ~~annual budget process or by supplemental appropriation for the Mayor's Office of Housing.~~ The
23 Mayor's Office of Housing and Community Development shall report annually to the Board of
24 Supervisors on the current status of the Mayor's Housing Program Fees Fund as a part of the
25 its Annual Report~~annual budget process for the Mayor's Office of Housing~~, including the amounts of

1 fees received and to be budgeted for administrative funding, and any recommendations
2 deemed necessary to improve effectiveness of the Mayor's Housing Program Fees Fund in
3 achieving its purpose.

4 Section 3. The Planning Code is hereby amended by revising Sections 413.10, 415.5,
5 416.5, and 423.5 to read as follows:

6 **SEC. 413.10. CITYWIDE AFFORDABLE HOUSING FUND.**

7 All monies contributed pursuant to Sections 413.6 or 413.8 or assessed pursuant to
8 Section 413.9 shall be deposited in the *special fund maintained by the Controller called the*
9 *Citywide Affordable Housing Fund ("Fund"), established in Administrative Code Section 10.100-49.*
10 *The receipts in the Fund collected under Section 413 et seq. shall be are hereby appropriated in*
11 *accordance with law to be* used solely to increase the supply of housing affordable to qualifying
12 households subject to the conditions of this Section. *The fees collected under this Section may not*
13 *be used, by way of loan or otherwise, to pay any administrative, general overhead, or similar expense*
14 *of any entity.* The Mayor's Office of Housing and Community Development ("MOHCD") shall
15 develop procedures such that, for all projects funded by the Citywide Affordable Housing
16 Fund, MOHCD requires the project sponsor or its successor in interest to give preference in
17 occupying units first to Residential Certificate of Preference Holders under the San Francisco
18 Redevelopment Agency's Property Owner and Occupant Preference Program, as reprinted
19 September 11, 2008 and effective October 1, 2008 and on file with the Clerk of the Board *of*
20 *Supervisors* in File No. 080521, who meet all of the qualifications for the unit; and second to
21 any Displaced Tenant, as defined in Administrative Code Section 24.8, who meets all of the
22 qualifications for the unit or assistance, provided that the following limitations shall apply to the
23 Displaced Tenant preference: (i) a Displaced Tenant may apply the preference to existing,
24 currently-occupied developments only for three years from the date the landlord filed with the
25 Residential Rent Stabilization and Arbitration Board ("Rent Board") a notice of intent to

1 withdraw the tenant's unit from the rental market pursuant to the Ellis Act, California
2 Government Code Section 7060 et seq. and the corresponding provisions of the San
3 Francisco Rent Stabilization and Arbitration Ordinance ("Rent Ordinance"), Administrative
4 Code Sections 37.9(a)(13) and 37.9A; (ii) a Displaced Tenant may apply the preference to
5 new developments going through the initial occupancy process only for six years from the
6 date the landlord filed with the Rent Board a notice of intent to withdraw the tenant's unit from
7 the rental market pursuant to the Ellis Act, cited above, and the corresponding provisions of
8 the Rent Ordinance; and (iii) for any new residential development going through the initial
9 occupancy process, the Displaced Tenant preference shall apply only to twenty percent (20%)
10 of the units in such development. The Displaced Tenant's preference shall still apply even if
11 such Displaced Tenant declines a unit offered through application of the preference, but upon
12 accepting and occupying a unit obtained using the preference, such Displaced Tenant's
13 preference terminates.

14 MOHCD shall implement the Certificate of Preference Holder requirements of this
15 Section 413.10 by developing procedures and amending its applicable regulations within 90
16 days of the effective date of Ordinance No. 232-08, and MOHCD shall implement the
17 Displaced Tenant preference requirements of this Section by developing procedures and
18 amending its applicable regulations within 90 days of the effective date of the ordinance
19 creating the Displaced Tenant preference. Said procedures and regulations shall be subject to
20 approval by Resolution of the Board of Supervisors. The requirements of this paragraph are
21 directory rather than mandatory.

22 ~~—The Fund shall be administered and expended by the Director of MOHCD, who shall have the~~
23 ~~authority to prescribe rules and regulations governing the Fund which are consistent with Section~~
24 ~~413.1et seq. No portion of the Fund may be used, by way of loan or otherwise, to pay any~~
25 ~~administrative, general overhead, or similar expense of any entity.~~

1 **SEC. 415.5. AFFORDABLE HOUSING FEE.**

2 * * * *

3 (f) Use of Fees. All monies contributed pursuant to ~~the this Section~~ Inclusionary
4 Affordable Housing Program shall be deposited in the ~~special fund maintained by the Controller~~
5 ~~called the~~ Citywide Affordable Housing Fund ("the Fund"), established in Administrative Code
6 Section 10.100-49. The Mayor's Office of Housing and Community Development ("MOHCD")
7 shall use the funds collected under this Section in the following manner:

8 (1) Except as provided in subsection (2) below, ~~the funds collected under this Section~~
9 ~~shall the receipts in the Fund are hereby appropriated in accordance with law to~~ be used to:

10 (A) increase the supply of housing affordable to qualifying households subject to
11 the conditions of this Section; and

12 (B) provide assistance to low and moderate income homebuyers; and

13 (C) pay the expenses of MOHCD in connection with monitoring and
14 administering compliance with the requirements of the Program. MOHCD is authorized to use
15 funds in an amount not to exceed \$200,000 every 5 years to conduct follow-up studies under
16 Section 415.9(e) and to update the affordable housing fee amounts as described above in
17 Section 415.5(b). All other monitoring and administrative expenses shall be appropriated
18 through the annual budget process or supplemental appropriation for MOHCD. ~~The fund shall~~
19 ~~be administered and expended by MOHCD, which shall have the authority to prescribe rules and~~
20 ~~regulations governing the Fund which are consistent with this Section.~~

21 (2) "Small Sites Funds."

22 (A) Designation of Funds. MOHCD shall designate and separately account for
23 10% percent of all fees that it receives under Section 415.1et seq. ~~that are deposited into the~~
24 Citywide Affordable Housing Fund, established in Administrative Code Section 10.100-49, excluding
25 fees that are geographically targeted such as those referred to in Sections 415.5 ~~(b)(1)6(a)(1)~~

1 and 827(b)(1)(C), to support acquisition and rehabilitation of Small Sites ("Small Sites Funds").
2 MOHCD shall continue to divert 10 percent of all fees for this purpose until the Small Sites
3 Funds reach a total of \$15 million at which point, MOHCD will stop designating funds for this
4 purpose. At such time as designated Small Sites Funds are expended and dip below \$15
5 million, MOHCD shall start designating funds again for this purpose, such that at no time the
6 Small Sites Funds shall exceed \$15 million. When the total amount of fees paid to the City
7 under Section 415.1et seq. totals less than \$10 million over the preceding 12 month period,
8 MOHCD is authorized to temporarily divert funds from the Small Sites Fund for other
9 purposes. MOHCD must keep track of the diverted funds, however, such that when the
10 amount of fees paid to the City under Section 415.1et seq. meets or exceeds \$10 million over
11 the preceding 12 month period, MOHCD shall commit all of the previously diverted funds and
12 10 percent of any new funds, subject to the cap above, to the Small Sites Fund.

13 (B) Use of Small Sites Funds. The funds shall be used exclusively to acquire or
14 rehabilitate "Small Sites" defined as properties consisting of less than 25 units. Units
15 supported by monies from the fund shall be designated as housing affordable to qualifying
16 households as defined in Section 415.1 for no less than 55 years. Properties supported by the
17 Small Sites Funds must be either

- 18 (i) rental properties that will be maintained as rental properties;
19 (ii) vacant properties that were formerly rental properties as long as those
20 properties have been vacant for a minimum of two years prior to the effective date of this
21 legislation,
22 (iii) properties that have been the subject of foreclosure or
23 (iv) a Limited Equity Housing Cooperative as defined in Subdivision Code
24 Sections 1399.1et seq. or a property owned or leased by a non-profit entity modeled as a
25 Community Land Trust.

1 (C) Initial Funds. If, within 18 months from the date of adoption of this ordinance,
2 MOHCD dedicates an initial one-time contribution of other eligible funds to be used initially as
3 Small Sites Funds, MOHCD may use the equivalent amount of Small Sites Funds received
4 from fees for other purposes permitted by the Citywide Affordable Housing Fund until the
5 amount of the initial one-time contribution is reached.

6 (D) Annual Report. At the end of each fiscal year, MOHCD shall issue a report
7 to the Board of Supervisors regarding the amount of Small Sites Funds received from fees
8 under this legislation, and a report of how those funds were used.

9 (E) Intent. In adopting this ordinance regarding Small Sites Funds, the Board of
10 Supervisors does not intend to preclude MOHCD from expending other eligible sources of
11 funding on Small Sites as described in this Section, or from allocating or expending more than
12 \$15 million of other eligible funds on Small Sites.

13 (3) For all projects funded by the Citywide Affordable Housing Fund, MOHCD
14 requires the project sponsor or its successor in interest to give preference in occupying units
15 first to Residential Certificate of Preference Holders under the San Francisco Redevelopment
16 Agency's Property Owner and Occupant Preference Program, as reprinted September 11,
17 2008 and effective October 1, 2008 and on file with the Clerk of the Board in File No. 080521,
18 who otherwise meet all of the requirements for a unit; and second to any Displaced Tenant, as
19 defined in Administrative Code Section 24.8, who meets all of the qualifications for the unit or
20 assistance, provided that the following limitations shall apply to the Displaced Tenant
21 preference: (i) a Displaced Tenant may apply the preference to existing, currently-occupied
22 developments only for three years from the date the landlord filed with the Residential Rent
23 Stabilization and Arbitration Board ("Rent Board") a notice of intent to withdraw the tenant's
24 unit from the rental market pursuant to the Ellis Act, California Government Code Section
25 7060 et seq. and the corresponding provisions of the San Francisco Rent Stabilization and

1 Arbitration Ordinance ("Rent Ordinance"), Administrative Code Sections 37.9(a)(13) and
2 37.9A; (ii) a Displaced Tenant may apply the preference to new developments going through
3 the initial occupancy process only for six years from the date the landlord filed with the Rent
4 Board a notice of intent to withdraw the tenant's unit from the rental market pursuant to the
5 Ellis Act, cited above, and the corresponding provisions of the Rent Ordinance; and (iii) for
6 any new residential development going through the initial occupancy process, the Displaced
7 Tenant preference shall apply only to twenty percent (20%) of the units in such development.
8 The Displaced Tenant's preference shall still apply even if such Displaced Tenant declines a
9 unit offered through application of the preference, but upon accepting and occupying a unit
10 obtained using the preference, such Displaced Tenant's preference terminates. Otherwise, it
11 is the policy of the City to treat all households equally in allocating affordable units under this
12 Program.

13 * * * *

14 **SEC. 416.5. USE OF FUNDS.**

15 The additional affordable housing requirement specified in this Section for the Market
16 and Octavia Plan Area and the Upper Market NCD shall be paid into the Citywide Affordable
17 Housing Fund, *established in Administrative Code Section 10.100-49*, but the funds shall be
18 separately accounted for. MOHCD shall expend the funds according to the following priorities:
19 First, to increase the supply of housing affordable to qualifying households in the Market and
20 Octavia Plan Area and the Upper Market NCD; second, to increase the supply of housing
21 affordable to qualifying households within 1 mile of the boundaries of the Plan Area and the
22 Upper Market NCD; third, to increase the supply of housing affordable to qualifying
23 households in the City and County of San Francisco. The funds may also be used for
24 monitoring and administrative expenses subject to the process described in Section
25 *415.5(f)415.7(e)*.

1 **SEC. 423.5. THE EASTERN NEIGHBORHOODS COMMUNITY IMPROVEMENTS**
2 **FUND.**

3 (a) Purpose. There is hereby established a separate fund set aside for a special
4 purpose entitled the Eastern Neighborhoods Community Improvements Fund ("Fund"). All
5 monies collected by the Development Fee Collection Unit at DBI pursuant to Section 423.3(e)
6 shall be deposited in the Fund maintained by the Controller. The receipts in the Fund shall be
7 appropriated in accordance with the normal budgetary process to fund Community
8 Improvements subject to the conditions of this Section. Monies collected by the Development
9 Fee Collection Unit at DBI pursuant to 423.3 shall be deposited as follows:

10 (1) For projects located in any zoning districts in the Eastern Neighborhoods
11 Program Area, excluding Designated Affordable Housing Zones, DBI shall deposit 100% of
12 the funds in the Eastern Neighborhoods Community Improvements Fund maintained by the
13 Controller.

14 (2) For projects located in Designated Affordable Housing Zones, DBI shall
15 deposit 25% of the funds in the Eastern Neighborhoods Community Improvement Fund and
16 75% in the Citywide Affordable Housing Fund, established in Administrative Code Section 10.100-
17 49, but the funds shall be separately accounted for and expended as provided in this Section.

18 * * * *

19
20 Section 4. The Subdivision Code is hereby amended by revising Section 1396.4 to
21 read as follows:

22 **SEC. 1396.4. CONDOMINIUM CONVERSION FEE AND EXPEDITED CONVERSION**
23 **PROGRAM.**

24 * * * *

1 (i) Upon confirmation of compliance with the rental requirement, DPW or the City
2 department in possession of the fee revenue shall refund the amount specified in Section (h)
3 to the subdivider and have all remaining fee revenues transferred to the Citywide Affordable
4 Housing Fund, established in Administrative Code Section 10.100-49, in the following percentage
5 allocations:

6 _____ (1) 25% to the Mayor's Office of Housing and Community Development's
7 program for small site acquisition to purchase market rate housing and convert it to affordable
8 housing; and

9 _____ (2) 75% ~~to the Citywide Affordable Housing Fund~~ for the purpose of expanding
10 affordable housing opportunities for low or moderate income households in San Francisco,
11 including, but not limited to, expanding public housing opportunities.

12 * * * *

13
14 Section 5. Effective Date. This ordinance shall become effective 30 days after
15 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
16 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
17 of Supervisors overrides the Mayor's veto of the ordinance.

18
19 Section 6. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
20 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
21 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal
22 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment
23 additions, and Board amendment deletions in accordance with the "Note" that appears under
24 the official title of the ordinance.

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

By: 
SUSAN CLEVELAND-KNOWLES
Deputy City Attorney

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LEGISLATIVE DIGEST

[Administrative, Planning, Subdivision Codes - Citywide Affordable Housing Fund, Mayor's Housing Programs Fees Fund]

Ordinance amending the Administrative Code to add the Citywide Affordable Housing Fund as a Category Eight self-appropriating fund; amending the Planning and Subdivision Codes to make corresponding changes to affordable housing fee provisions related to the Citywide Affordable Housing Fund; revising the Mayor's Housing Programs Fees Fund to change it to a Category Eight self-appropriating fund; 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.

Existing Law

The Citywide Affordable Housing Fund (the "Fund") is currently established in the Planning Code as a special fund 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 appropriated and in some cases they are not. The Mayor's Housing Programs Fees Fund exists as a Category 2 fund in the Administrative Code to receive monies from fees earned by the Mayor's Office of Housing and Community Development (MOHCD) in connection with the administration of affordable housing programs, including fees from single-family and multifamily housing mortgage revenue bonds. MOHCD can use money in the fund for administration, and with the approval of the Board of Supervisors, may transfer extra money into the Citywide Affordable Housing Fund for the development of affordable housing.

Amendments to Current Law

The Proposed Legislation establishes the Citywide Affordable Housing Fund in the Administrative Code as a Category Eight self-appropriating fund. The Proposed Legislation provides that the MOHCD administers the Fund and the Director of MOHCD approves all expenditures from the Fund. The Proposed Legislation amends the Planning and Subdivision Codes to uniformly refer to the Citywide Affordable Housing Fund and clarify, in all cases, that the funds that flow into the Fund are appropriated. The Proposed Legislation also amends the provisions related to Mayor's Housing Programs Fees Fund to make it a Category 8 self-appropriating fund and provides that MOHCD may transfer excess funds to the Citywide Affordable Housing Fund without Board approval.

Exhibit E



Tom C. Hui, S.E., C.B.O.
Director
Department of Building
Inspection
1660 Mission Street
San Francisco CA 94103
(415) 558-6088
(415) 558-6041 Fax

John Rahaim
Director
Planning Department
1650 Mission Street, Suite 400
San Francisco CA 94103
(415) 558-6378
(415) 558-6409

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

Status Report:

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

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

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

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

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

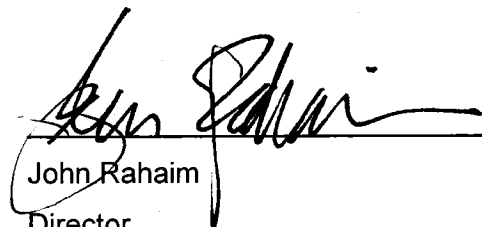
with the California Energy Code per California Historic Building Code. More equivalencies may be approved through pre-application meetings on a case-by-case basis. Similarly, for legalizing a unit, Planning has waived rear yard, parking, open space, and exposure requirements for the unit to be legalized.

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

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



Tom C. Hui, S.E., C.B.O.
Director
Department of Building Inspection



John Rahaim
Director
Planning Department

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

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

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

(B) Information on submitted permits:

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

(C) Permits submitted by District:

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