



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Draft Resolution

HEARING DATE: MARCH 27, 2014

Project Name: **Waiving Certain Fees for Small Business Month**
Case Number: 2014.0290T [Board File No. 14-0122]
Initiated by: Supervisor Tang / Introduced February 11, 2014
Staff Contact: Diego R Sánchez, Legislative Affairs
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Reviewed by: AnMarie Rodgers, Manager Legislative Affairs
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Recommendation: **Approval with Modifications**

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RECOMMENDING THAT THE BOARD OF SUPERVISORS PASS AN ORDINANCE THAT WOULD 1) RECOGNIZE SMALL BUSINESS MONTH IN MAY 2014; 2) AMEND THE SAN FRANCISCO PLANNING CODE AND THE SAN FRANCISCO BUILDING CODE TO WAIVE FEES FOR CERTAIN FAÇADE IMPROVEMENTS DURING SMALL BUSINESS MONTH, AS DECLARED BY THE SMALL BUSINESS COMMISSION; AND 3) MAKE ENVIRONMENTAL FINDINGS, PLANNING CODE SECTION 302 FINDINGS, AND FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND THE PRIORITY POLICIES OF PLANNING CODE SECTION 101.1

PREAMBLE

Whereas, this is the ninth year in a row that the City of San Francisco has celebrated Small Business Week during the month of May; and

Whereas, small businesses are the backbone of the American economy, representing 99.7 percent of all employer firms; and

Whereas, on March 27, 2014 the San Francisco Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance; and

Whereas, the proposed Ordinance have been found exempt from the California Environmental Quality Act per Section 15273, Rates, Tolls, Fares and Charges; and

Whereas, the Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented by Department staff, and other interested parties; and

Whereas, the all pertinent documents may be found in the files of the Department, as the custodian of records, at 1650 Mission Street, Suite 400, San Francisco; and

Whereas, the Commission has reviewed the proposed Ordinance; and

MOVED, that the Commission hereby recommends that the Board of Supervisors recommend *approval with modifications* of the proposed Ordinance and adopts the Draft Resolution to that effect.

The Commission recommended modification would make permanent the waiver of Planning Department fees for permits issued for awning replacement and for signs on awnings as well as the Central Permit Bureau fees for review of awning replacements and the installation of pedestrian level lighting during Small Business Month each year, as declared by the Small Business Commission.

Specifically, the Commission recommends

- Making permanent the annual waiver of Planning Department fees for permits issued for awning replacement and for signs on awnings as well as the Central Permit Bureau fees for review of awning replacements and the installation of pedestrian level lighting each May during Small Business Month.
- Amending Planning Code Section 355 to add a subsection (f) as follows: Small Business Month Fee Waiver. Planning Department fees for permits issued for awning replacement and for signs on awnings shall be waived each May during Small Business Month.
- Amending the fee schedules of Tables 1A-A and 1A-E of the Building Code to state: Permit Fees related to reviewing the structural integrity of awning replacements for those permits submitted “over the counter” at the Central Permit Bureau and installation of pedestrian level lighting, respectively, are waived for any permit issued for such activities each May during Small Business Month.

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:

1. As amended, this Ordinance would provide an incentive to improve business facades at what is projected to be minimal cost to the City and would provide certainty of fee waivers for such scope of work during Small Business Month each year. Therefore, we recommend support of this proposed Ordinance as a gesture of goodwill during Small Business Month 2014.
2. **General Plan Compliance.** The proposed Ordinance is, on balance, consistent with the following Objectives and Policies of the General Plan:

COMMERCE AND INDUSTRY ELEMENT

POLICY 2.3

Maintain a favorable social and cultural climate in the city in order to enhance its attractiveness as a firm location.

POLICY 4.1

Maintain and enhance a favorable business climate in the city.

POLICY 6.2

Promote economically vital neighborhood commercial districts which foster small business enterprises and entrepreneurship and which are responsive to economic and technological innovation in the marketplace and society.

The proposed Ordinance would provide a gesture of goodwill for Small Business Month 2014 and for each subsequent year.

URBAN DESIGN ELEMENT

POLICY 4.7

Encourage and assist in voluntary programs for neighborhood improvement.

The proposed Ordinance would assist building owners in voluntary façade upgrades.

1. The proposed replacement project is generally consistent with the eight General Plan priority policies set forth in Section 101.1 in that:

- A) The existing neighborhood-serving retail uses will be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses will be enhanced:

The proposed Ordinance will assist neighborhood-serving retail uses in renovation of facades.

- B) The existing housing and neighborhood character will be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods:

The proposed Ordinance will have no adverse impact on housing and will encourage improvements to neighborhood commercial corridors.

- C) The City's supply of affordable housing will be preserved and enhanced:

The proposed Ordinance will have no adverse effects on the City's supply of affordable housing.

- D) The commuter traffic will not impede MUNI transit service or overburden our streets or neighborhood parking:

The proposed Ordinance will not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking.

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- E) A diverse economic base will be maintained by protecting our industrial and service sectors from displacement due to commercial office development. And future opportunities for resident employment and ownership in these sectors will be enhanced:

The proposed Ordinance would have no negative effects on industry or the service sector.

- F) The City will achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.

The proposed Ordinance would not affect the preparedness against injury and loss of life in an earthquake is unaffected.

- G) That landmark and historic buildings will be preserved:

The proposed Ordinance would not adversely affect landmark and historic buildings as it would encourage renovations and would not exempt any project from historic resource or other required review.

- H) Parks and open space and their access to sunlight and vistas will be protected from development:

The proposed Ordinance would not adversely affect parks and open spaces in terms of their access to sunlight and vistas.

I hereby certify that the Planning Commission ADOPTED the foregoing Resolution on March 27, 2014

Jonas P. Ionin
Commission Secretary

AYES:

NAYS:

ABSENT:

ADOPTED: March 27, 2014



SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary Conditional Use

HEARING DATE: MARCH 27, 2014

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Project Name: Small Business Month May 2014
Case Number: 2014.0290T [Board File No.14-0122]
Initiated by: Supervisor Tang / Introduced February 11, 2014
Staff Contact: Diego R Sánchez, Legislative Affairs
diego.sanchez@sfgov.org (415) 575-9082
Reviewed by: AnMarie Rodgers, Manager Legislative Affairs
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Recommendation: **Approval with Modifications**

PLANNING AND BUILDING CODE AMENDMENTS

The proposed Ordinance would 1) recognize May as Small Business Month 2) amend the San Francisco Planning Code and the San Francisco Building Code to waive various local permit fees for the month of May 2014 for the replacement of awnings and signs on awnings and the installation of pedestrian level lighting; and 3) make environmental findings, Planning Code Section 302 findings and findings of consistency with the General Plan and the Priority Policies of Planning Code Section 101.1.

The Way It Is Now

Planning Code (hereinafter "Code") Section 355(a) establishes fees for alterations to existing buildings based upon the cost of construction of the work. The current fees are as follows:

Estimated Construction Cost	Initial Fee
\$0.00 to \$9,999.00	\$342
\$10,000.00 to \$49,999.00	\$350 + 3.580% of cost over \$10,000.00
\$50,000.00 to \$99,999.00	\$2,605 + 2.392% of cost over \$50,000.00
\$100,000.00 to \$499,999.00	\$3,827 + 2.619% of cost over \$100,000.00
\$500,000.00 to \$999,999.00	\$14,501 + 0.662% of cost over \$500,000.00
\$1,000,000.00 to \$4,999,999.00	\$17,875 + 0.261% of cost over \$1,000,000.00
\$5,000,000.00 to \$99,999,999.00	\$28,473 + .004% of cost over \$5,000,000.00
\$100,000,000.00 or more	\$32,813

Planning Code Section 355(e) establishes a flat fee for Sign Permit Applications; this includes the replacement of signage on awnings. The current fee is \$161.

The Way It Would Be

The Ordinance proposes to waive Planning Department fees for permits issued during the Month of May 2014 for awning replacement and for signs on awnings. The Ordinance also proposes to waive Central

Permit Bureau fees for the review of awning replacements and the installation of pedestrian level lighting during the Month of May 2014.

ISSUES AND CONSIDERATIONS

- **Continuity with Previous Ordinances for Fee Waivers during Small Business Month.** The proposed Ordinance is exactly the same, in content, as the Ordinance that the Board of Supervisors passed in May 2013. The proposed Ordinance includes the revisions made to the 2013 Ordinance after its introduction, such as a refinement to the definition of a Small Business and a waiver of fees for permits to replace both awnings and signs on awnings.
- **Small Business Commission (SBC).** The SBC will be voting on the Ordinance at their March 24, 2014 meeting. In 2013 the SBC voted 6-0 to recommend approval of the 2013 Ordinance.
- **Department of Building Inspection Review of Both Awning Replacement and Pedestrian Lighting Permits.** The Department of Building Inspection (hereinafter "DBI") reviews both pedestrian-oriented lighting and awning replacement permits. The Planning Department is not typically involved in the review of pedestrian-oriented lighting. DBI's Central Permit Bureau accepts and issues construction permits for buildings located within the City and County of San Francisco. For May 2012, DBI reviewed and waived fees for 11 awning permits, four of which included signs and the Ordinance cost DBI approximately \$20,000. The same data for May 2013 could not be secured from DBI in time for the publication of this report.
- **Planning Department Review of Awning and Sign Replacement Permits.** The proposed Ordinance would waive fees for replacement of awnings as well as a change in signage on awnings. During last year's Small Business Month, the Planning Department reports that fees were waived for less than 15 awning replacement permits. It is not known how many of those permits for awning replacement included a change of signage. The Planning Department fee for review of awning replacement is dependent on two factors: 1) the cost of construction and 2) whether or not the awning contains signage. The cost of construction for an awning replacement is typically under \$10,000 and therefore the fee for the awning replacement alone would be \$326. If signage on the awning were to change, a flat fee of \$155 is added for review of the signage, bringing the total Planning fees for awning and signage review to \$481. Therefore last year the proposal cost the Planning Department at least \$4,890, plus a lesser, but unknown amount for some awnings which may have included changes of signage.
- **Full Review Provided.** The proposed Ordinance does not circumvent any the City or State requirements. Any building permit which needed review for historic resources, CEQA, public notice or other issue would be reviewed consistent with current City practice. The fee waiver only applies to permits which can be issued during the month of May 2014. The fee waiver does not require expediting or truncating of the current permit review process.
- **Definition of Small Business.** The proposed Ordinance only applies to *Small Business Enterprises*. The proposed Ordinance defines a *Small Business Enterprise* as one that has 100 or fewer employees. The proposed Ordinance also delegates to the Department of Building Inspection and the Planning

Department the establishment of a process by which to certify that an applicant is a *Small Business Enterprise*.

REQUIRED COMMISSION ACTION

The proposed Resolution is before the Planning Commission so that it may it may recommend adoption, rejections or adoption with modifications to the Board of Supervisors.

RECOMMENDATION

The Planning Department recommends that the Planning Commission recommend approval with modifications. Planning Department Staff recommends the following modification:

- Make permanent the annual waiver of Planning Department fees for permits issued for awning replacement and for signs on awnings as well as the Central Permit Bureau fees for review of awning replacements and the installation of pedestrian level lighting each May during Small Business Month.
- Amend Planning Code Section 355 to add a subsection (f) as follows: Small Business Month Fee Waiver. Planning Department fees for permits issued for awning replacement and for signs on awnings shall be waived each May during Small Business Month.
- Amend the fee schedules of Tables 1A-A and 1A-E of the Building Code to state: Permit Fees related to reviewing the structural integrity of awning replacements for those permits submitted “over the counter” at the Central Permit Bureau and installation of pedestrian level lighting, respectively, are waived for any permit issued for such activities each May during Small Business Month.

Basis for Recommendation: With the proposed modification the Planning Department believes that the proposed Ordinance would not only provide an incentive to improve business facades at what is projected to be minimal cost to the City but would provide certainty of fee waivers for such scope of work during Small Business Month each year. Therefore, the Planning Department recommends support of this proposed Ordinance as a gesture of goodwill during Small Business Month 2014, consistent with the Commission’s recommendations from 2013.

ENVIRONMENTAL REVIEW

The proposed amendments to the Planning Code have been reviewed and found exempt from the California Environmental Quality Act (“CEQA”) per Section 15273, Rates Tolls, Fares and Charges.

PUBLIC COMMENT

As of the date of this report, Planning Department staff has not received input from the public regarding the proposed Ordinance.

RECOMMENDATION: Approval with Conditions
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Attachments:

Draft Planning Commission Resolution

Draft Board of Supervisors Ordinance [Board File No. 140122]

1 [Planning, Building Codes - Fee Waiver Program - Small Business Month, May 2014]

2
3 **Ordinance recognizing Small Business Month in May 2014; amending the Planning**
4 **Code and the Building Code to retroactively waive fees for the month of May for certain**
5 **façade improvements; affirming the Planning Department's determination under the**
6 **California Environmental Quality Act; and making findings, including environmental**
7 **findings and findings of consistency with the General Plan, and the eight priority**
8 **policies of Planning Code, Section 101.1.**

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

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

17 Section 1. Findings and Purpose.

18 (a) May is Small Business Month, and the Board of Supervisors desires to recognize
19 the importance of small businesses in San Francisco. As part of this recognition, the Board
20 elects to waive various local permit fees for the month of May 2014 for the replacement of
21 awnings and signs on awnings and installation of pedestrian level lighting as these fees have
22 acted as a bar for many small businesses to improve their building facades and store fronts.

23 (b) On _____, 2014, the Planning Commission adopted Resolution No.
24 _____ recommending adoption of this ordinance, and adopted findings that the
25 Ordinance is consistent, on balance, with the City's General Plan, and eight priority policies of
Planning Code, Section 101.1(b). The Board of Supervisors adopts these findings as it own.

1 A copy of this Commission Resolution is on file with the Clerk of the Board in File No.

2 _____, and is incorporated herein by reference.

3 (c) Pursuant to Planning Code, Section 302, the Board of Supervisors finds that this
4 ordinance will promote the public necessity, convenience, safety and welfare for the reasons
5 set forth in Planning Commission Resolution No. _____, which is incorporated
6 herein by reference.

7 (d) The Planning Department has determined that the actions contemplated in this
8 ordinance comply with the California Environmental Quality Act (CEQA, California Public
9 Resources Code, Section 21000 et seq.). The Board of Supervisors affirms the Department's
10 CEQA determination. Said determination is on file with the Clerk of the Board of Supervisors
11 in File No. _____ and is incorporated herein by reference.

12 (e) On _____, 2014, the Building Inspection Commission conducted a public
13 hearing on this ordinance and recommended approval of this ordinance. On _____,
14 2014, the Building Inspection Commission Secretary submitted a letter to the Board of
15 Supervisors describing the Commission's action. Said letter is on file with the Clerk of the
16 Board of Supervisors in File No. _____ and is incorporated herein by reference.

17
18 Section 2. Fee Waivers.

19 (a) Notwithstanding any provision of the Planning Code, including the fee schedule
20 associated with Sections 355(a) and 355(e), the permit fee for awning replacement and for
21 signs on awnings, respectively, is hereby waived for any permit issued for such activities
22 during the month of May 2014.

23 (b) Notwithstanding any provision of the Building Code, including the fee schedules of
24 Tables 1A-A and 1A-E, the permit fees related to reviewing the structural integrity of awning
25 replacements for those permits submitted "over the counter" at the Central Permit Bureau and

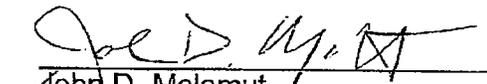
1 installation of pedestrian level lighting, respectively, are hereby waived for any permit issued
2 for such activities during the month of May 2014.

3 (c) The fee waivers set forth in Section 2 shall apply only to small business
4 enterprises. For purposes of this Section 2 a small business enterprise shall be one that has
5 100 or fewer employees. The Board of Supervisors hereby delegates to the Department of
6 Building Inspection and the Planning Department the establishment of a process by which the
7 respective departments will certify that an applicant is a small business enterprise.
8

9 Section 3. Effective and Operative Dates. This ordinance shall become effective 30
10 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor
11 returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it,
12 or the Board of Supervisors overrides the Mayor's veto of the ordinance. However, in order to
13 effectuate the intent of this ordinance, the operative provisions of this ordinance shall be
14 retroactive to May 1, 2014 should the effective date of the ordinance occur after May 1, 2014.
15

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

18 By:


19 John D. Malamut
20 Deputy City Attorney

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