



# SAN FRANCISCO PLANNING DEPARTMENT

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## Executive Summary Planning Code Text Change

HEARING DATE: MAY 18, 2011

*Project Name:* **Amendments relating to Planning Code Article 3.5:  
Planning Code Fee Changes.**

*Date:* May 19, 2011

*Case Number:* 2011.0412T

*Initiated by:* **Planning Department**

*Staff Contact:* Keith DeMartini, Finance Manager  
Keith.DeMartini@sfgov.org, 415-575-9118

*Reviewed by:* Thomas DiSanto, Chief Administrative Officer  
Thomas.DiSanto@sfgov.org, 415-575-9113

*Recommendation:* **Recommend Approval as Proposed**

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### PLANNING CODE AMENDMENT

This legislation amends Article 3.5 to: (1) place a cap on the initial fee amount at no more than 50% of the estimated construction cost of the project when applying for a Commission or Zoning Administrator Hearing Application (conditional use or variance, including Downtown Applications), certificate of appropriateness, or a building permit application and (2) adjust fees based on the Controller's annual two-year average consumer price index (CPI).

### THE WAY IT IS NOW:

The Controller annually adjusts planning application fees, excluding appeal fees, by the two-year average consumer price index (CPI) for the San Francisco/San Jose Primary Metropolitan Statistical Area (PMSA).

Conditional Use Applications (Planning Code, Section 352(a)): The current initial fee for variance applications is based on construction costs as follows:

**\$0 to \$9,999** – \$1,286

**\$10,000 to \$999,999** – \$1,286 plus 0.583% of cost over \$10,000

**\$1,000,000 to \$4,999,999** – \$7,171 plus 0.695% of cost over \$1,000,000

**\$5,000,000 to \$9,999,999** – \$35,537 plus 0.583% of cost over \$5,000,000

**\$10,000,000 to \$19,999,999** – \$65,257 plus 0.303% of cost over \$10,000,000

**\$20,000,000 or more** - \$96,230

All applications will be subject to time and materials billing if the cost of reviewing the application exceeds the initial fee charged.

Commission and Variance Applications (Planning Code, Section 352(b)): The current initial fee for variance applications is based on construction costs as follows:

**\$0 to \$9,999** - \$842 (= \$817 + Board of Appeal Surcharge \$25)

**\$10,000 to \$19,999** - \$1,846 (= \$1,821 + Board of Appeal Surcharge \$25)

**\$20,000 or more** - \$3,733 (= \$3,708 + Board of Appeal Surcharge \$25)

All applications will be subject to time and materials billing if the cost of reviewing the application exceeds the initial fee charged.

Downtown (C-3) District Review (Section 309) and Coastal Zone Permit (Section 330) Applications (Planning Code, Section 352(c)): The current initial fee for variance applications is based on construction costs as follows:

**\$0 to \$9,999** - \$256

**\$10,000 to \$999,999** - \$261 plus 0.117% of cost over \$10,000

**\$1,000,000 to \$4,999,999** - \$1,442 plus 0.139% of cost over \$5,000,000

**\$5,000,000 to \$9,999,999** - \$7,130 plus 0.116% of cost over \$10,000,000

**\$10,000,000 to \$19,999,999** - \$13,050 plus 0.061% of cost over \$10,000,000

**\$20,000,000 or more** - \$19,268

All applications will be subject to time and materials billing if the cost of reviewing the application exceeds the initial fee charged.

Certificate of Appropriateness (Planning Code, Section 356(c)): The current initial fee for certificate of appropriateness applications is based on construction costs as follows:

**\$0 to \$9,999** - \$333 (= \$308 + Board of Appeal Surcharge \$25)

**\$10,000 to \$19,999** - \$1,252 (= \$1,227 + Board of Appeal Surcharge \$25)

**\$20,000 or more** - \$5,701 (= \$5,676 + Board of Appeal Surcharge \$25)

All applications will be subject to time and materials billing if the cost of reviewing the application exceeds the initial fee charged.

Building Permit Applications (Planning Code, Section 355): The current initial fees for building permit applications is based on construction costs as follows:

**Building Permit Applications for a Change in Use or Alteration of an Existing Building:**

\$0 to \$9,999 - \$319

\$10,000 to \$49,999 - \$327 + 3.345% over \$10,000

\$50,000 to \$99,999 - \$2,062 + 2.235% over \$50,000

\$100,000 to \$499,999 - \$3,203 + 2.446% over \$100,000

\$500,000 to \$999,999 - \$13,175 + 0.618% over \$500,000

\$1,000,000 to \$4,999,999 - \$16,328 + 0.243% over \$1,000,000

\$5,000,000 to \$99,999,999 - \$26,229 + 0.004% over \$5,000,000

\$100,000,000 or more - \$30,283

**Building Permit Applications for New Construction:**

\$0 to \$99,999 - \$2,221

\$100,000 to \$499,999 - \$2,222 + 2.446% over \$100,000

\$500,000 to \$999,999 - \$12,195 + 0.781% over \$500,000

\$1,000,000 to \$4,999,999 - \$16,175 + 0.300% over \$1,000,000

\$5,000,000 to \$99,999,999 - \$28,421 + 0.005% over \$5,000,000

\$100,000,000 or more - \$33,490

All applications will be subject to time and materials billing if the cost of reviewing the application exceeds the initial fee charged.

**THE WAY IT WOULD BE:**

A CPI increase of 2.07% will be applied to all fees except for appeal fees.

Conditional Use Applications (Planning Code, Section 352(a)): Retain the current fee structure based on construction cost, adjust fees based on the Controller's annual two-year average consumer price index (CPI), but include the following limitation: "*The initial fee amount is not to exceed 50% of the construction cost.*" **Projected Revenue Loss of \$3,335** (Projected Fiscal Year revenue reduction based on the projected average of the past three fiscal years if this proposed change was in effect on these projects. This revenue impact includes Conditional Use, Commission and Variance, Downtown (C-3) District Review and Coastal Zone Permit Applications, and Certificate of Appropriateness Applications).

Commission and Variance Applications (Planning Code, Section 352(b)): Retain the current fee structure based on construction cost, adjust fees based on the Controller's annual two-year average consumer price index (CPI), but include the following limitation: "*The initial fee amount is not to exceed 50% of the construction cost.*" **Projected Revenue Loss of:** See Revenue Impact of Conditional Use Applications above.

Downtown (C-3) District Review (Section 309) and Coastal Zone Permit (Section 330) Applications (Planning Code, Section 352(c): Retain the current fee structure based on construction cost, adjust fees based on the Controller's annual two-year average consumer price index (CPI), but include the following limitation: *"The initial fee amount is not to exceed 50% of the construction cost."* **Projected Revenue Loss of:** See Revenue Impact of Conditional Use Applications above.

Certificate of Appropriateness (Planning Code, Section 356(c): Retain the current fee structure based on construction cost, adjust fees based on the Controller's annual two-year average consumer price index (CPI), but include the following limitation: *"The initial fee amount is not to exceed 50% of the construction cost."* **Projected Revenue Loss of:** See Revenue Impact of Conditional Use Applications above.

Building Permit Applications (Planning Code, Section 355): Retain the current fee structure based on construction cost, adjust fees based on the Controller's annual two-year average consumer price index (CPI), but include the following limitation: *"The Planning Department initial fee amount is not to exceed 50% of the construction cost. Applications for permit revisions are excluded."* **Projected Revenue Loss of \$6,968** (Projected Fiscal Year revenue reduction based on the projected average of the past three fiscal years if this proposed change was in effect on these projects).

## 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.

## RECOMMENDATION

The Department recommends that the Commission adopt the Draft Resolution recommending the proposed Ordinance. The legislation would reduce the undue burden of large initial fees on small-scale projects or applications.

## BASIS FOR RECOMMENDATION

For many small-scale construction projects where the estimated construction cost is less than \$7,500, the implementation of the existing rule has sometimes resulted in the initial fee amount being more than 50% of the estimated construction cost. Many applicants have expressed concern that the relatively high initial fee amount in relation to the construction cost has deterred applicants from following through on a project. The proposed change of limiting the initial fee to no more than 50% of the estimated construction cost does not represent a

significant revenue impact compared to the department's overall revenue budget and will encourage applicants to follow through on these projects.

The table below is a summary of potential lost revenue and volume of applications and permits that would have been subject to the 50% limitation if the proposed change had been in place during the past three fiscal years.

<b>Potential Lost Revenue &amp; Volume Summary</b>	<b>FY08-09 Actual</b>	<b>FY09-10 Actual</b>	<b>FY10-11 Projection</b>	<b>3-Year Average</b>
<b>Planning Application Fees - Lost Revenue</b>	\$2,410	\$1,325	\$6,271	\$3,335
<b>Application Volume</b>	5	5	7	6
<b>DBI Permit Costs (Planning)</b>	\$8,702	\$7,820	\$4,383	\$6,968
<b>Permit Volume</b>	63	49	29	47
<b>Total Potential Lost Revenue</b>	<b>\$11,112</b>	<b>\$9,145</b>	<b>\$10,653</b>	<b>\$10,303</b>

#### **ENVIRONMENTAL REVIEW**

The proposal to amend Article 3.5 of the Planning Code would result in no physical impacts on the environment. The proposed amendment is exempt from environmental review under Section 15060(c)(2) of the CEQA Guidelines.

#### **PUBLIC COMMENT**

As of the date of this report, the Planning Department has received no letters in support or opposition to the proposal from the public.

**RECOMMENDATION: Approve**

#### **Attachments:**

- Exhibit A: Draft Planning Commission Resolution
- Exhibit B: Draft Board of Supervisors Ordinance
- Exhibit C: Historic Preservation Commission Motion
- Exhibit D: Proposed Fee Schedule
- Exhibit E: Summary Presentation



# SAN FRANCISCO PLANNING DEPARTMENT

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## Draft Planning Commission Resolution

HEARING DATE: MAY 19, 2011

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Suite 400  
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*Reviewed by* Thomas DiSanto, Chief Administrative Officer  
Thomas.DiSanto@sfgov.org, 415-575-9113

*Recommendation* **Recommend Approval**

RECOMMENDING THAT THE BOARD OF SUPERVISORS ADOPT A PROPOSED ORDINANCE THAT WOULD AMEND ARTICLE 3.5 TO: (1) PLACE A CAP ON THE INITIAL FEE AMOUNT AT NO MORE THAN 50% OF THE ESTIMATED CONSTRUCTION COST OF THE PROJECT WHEN APPLYING FOR A COMMISSION OR ZONING ADMINISTRATOR HEARING APPLICATION (CONDITIONAL USE OR VARIANCE, INCLUDING DOWNTOWN APPLICATIONS), CERTIFICATE OF APPROPRIATENESS, OR A BUILDING PERMIT APPLICATION, AND (2) ADJUST FEES BASED ON THE CONTROLLER'S ANNUAL TWO-YEAR AVERAGE CONSUMER PRICE INDEX (CPI), AND MAKES SECTION 302 AND ENVIRONMENTAL FINDINGS.

### PREAMBLE

Whereas, for many small-scale construction projects where the estimated construction cost is less than \$7,500, the implementation of the existing rule has resulted in the initial fee amount being more than 50% of the estimated construction cost. Many applicants have expressed concern that the relatively high initial fee amount in relation to the construction cost has deterred applicants from following through on a project.

Whereas, the proposed change of limiting the initial fee at no more than 50% of the estimated construction cost does not represent a significant revenue impact compared to the department's overall revenue budget and will encourage applicants to follow through on these projects.

The Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on May 19, 2011.

The Planning Department (hereinafter "Department") has not received any letters or phone calls in support or in opposition to the proposed Ordinance.

NOW THEREFORE BE IT RESOLVED that the Commission hereby recommends that the Board ADOPT the proposed Ordinance with the following planning code amendments:

Conditional Use Applications (Planning Code, Section 352(a): The current initial fee for variance applications is based on construction costs. The fees will be adjusted based on the Controller's annual two-year average consumer price index (CPI). *"The initial fee amount is not to exceed 50% of the construction cost."*

\$0 to \$9,999 - ~~\$1,286~~ \$1,313

\$10,000 to \$999,999 - ~~\$1,286~~ \$1,313 plus ~~0.583%~~ 0.595% of cost over \$10,000

\$1,000,000 to \$4,999,999 - ~~\$7,171~~ \$7,319 plus ~~0.695%~~ 0.709% of cost over \$1,000,000

\$5,000,000 to \$9,999,999 - ~~\$35,537~~ \$36,273 plus ~~0.583%~~ 0.595% of cost over \$5,000,000

\$10,000,000 to \$19,999,999 - ~~\$65,257~~ \$66,608 plus ~~0.303%~~ 0.309% of cost over \$10,000,000

\$20,000,000 or more - ~~\$96,230~~ \$98,222

All applications will be subject to time and materials billing if the cost of reviewing the application exceeds the initial fee charged.

Commission and Variance Applications (Planning Code, Section 352(b): The current initial fee for variance applications depends on construction costs. The fees will be adjusted based on the Controller's annual two-year average consumer price index (CPI). *"The initial fee amount is not to exceed 50% of the construction cost."*

\$0 to \$9,999 - ~~\$842~~ \$859 (= ~~\$817~~ \$834 + Board of Appeal Surcharge \$25)

\$10,000 to \$19,999 - ~~\$1,846~~ \$1,884 (= ~~\$1,821~~ \$1,859 + Board of Appeal Surcharge \$25)

\$20,000 or more - ~~\$3,733~~ \$3,810 (= ~~\$3,708~~ \$3,785 + Board of Appeal Surcharge \$25)

All applications will be subject to time and materials billing if the cost of reviewing the application exceeds the initial fee charged.

Downtown (C-3) District Review (Section 309) and Coastal Zone Permit (Section 330) Applications (Planning Code, Section 352(c): The current initial fee for variance applications is based on construction costs. The fees will be adjusted based on the Controller's annual two-year average consumer price index (CPI). *"The initial fee amount is not to exceed 50% of the construction cost."*

\$0 to \$9,999 - ~~\$256~~ \$261

\$10,000 to \$999,999 - ~~\$261~~ \$266 plus ~~0.117%~~ 0.119% of cost over \$10,000

\$1,000,000 to \$4,999,999 - ~~\$1,442~~ \$1,472 plus ~~0.139%~~ 0.142% of cost over \$5,000,000

\$5,000,000 to \$9,999,999 - ~~\$7,130~~ \$7,278 plus ~~0.116%~~ 0.118% of cost over \$10,000,000

\$10,000,000 to \$19,999,999 - ~~\$13,050~~ \$13,320 plus ~~0.061%~~ 0.062% of cost over \$10,000,000

\$20,000,000 or more - ~~\$19,268~~ \$19,667

All applications will be subject to time and materials billing if the cost of reviewing the application exceeds the initial fee charged.

Certificate of Appropriateness (Planning Code, Section 356(c): The current initial fee for certificate of appropriateness applications depends on construction costs. The fees will be adjusted based on the

Controller's annual two-year average consumer price index (CPI). *"The initial fee amount is not to exceed 50% of the construction cost."*

\$0 to \$9,999 - ~~\$333~~ \$339 (~~=\$308~~ \$314 + Board of Appeal Surcharge \$25)

\$10,000 to \$19,999 - ~~\$1,252~~ \$1,277 (~~=\$1,227~~ \$1,252 + Board of Appeal Surcharge \$25)

\$20,000 or more - ~~\$5,701~~ \$5,818 (~~=\$5,676~~ \$5,793 + Board of Appeal Surcharge \$25)

All applications will be subject to time and materials billing if the cost of reviewing the application exceeds the initial fee charged.

Building Permit Applications (Planning Code, Section 355): The current initial fees for building permit applications depend on construction costs. The fees will be adjusted based on the Controller's annual two-year average consumer price index (CPI). *"The Planning Department initial fee amount is not to exceed 50% of the construction cost. Applications for permit revisions are excluded."*

**Building Permit Applications for a Change in Use or Alteration of an Existing Building:**

\$0 to \$9,999 - ~~\$319~~ \$326

\$10,000 to \$49,999 - ~~\$327~~ \$334 + ~~3.345%~~ 3.414% over \$10,000

\$50,000 to \$99,999 - ~~\$2,062~~ \$2,105 + ~~2.235%~~ 2.281% over \$50,000

\$100,000 to \$499,999 - ~~\$3,203~~ \$3,270 + ~~2.446%~~ 2.497% over \$100,000

\$500,000 to \$999,999 - ~~\$13,175~~ \$13,448 + ~~0.618%~~ 0.631% over \$500,000

\$1,000,000 to \$4,999,999 - ~~\$16,328~~ \$16,666 + ~~0.243%~~ 0.248% over \$1,000,000

\$5,000,000 to \$9,999,999 - ~~\$26,229~~ \$26,772 + 0.004% over \$5,000,000

\$100,000,000 or more - ~~\$30,283~~ \$30,910

**Building Permit Applications for New Construction:**

\$0 to \$99,999 - ~~\$2,221~~ \$2,267

\$100,000 to \$499,999 - ~~\$2,222~~ \$2,268 + ~~2.446%~~ 2.497% over \$100,000

\$500,000 to \$999,999 - ~~\$12,195~~ \$12,448 + ~~0.781%~~ 0.797% over \$500,000

\$1,000,000 to \$4,999,999 - ~~\$16,175~~ \$16,510 + ~~0.300%~~ 0.306% over \$1,000,000

\$5,000,000 to \$9,999,999 - ~~\$28,421~~ \$29,010 + 0.005% over \$5,000,000

\$100,000,000 or more - ~~\$33,490~~ \$34,184

All applications will be subject to time and materials billing if the cost of reviewing the application exceeds the initial fee charged.

I hereby certify that the Planning Commission ADOPTED the foregoing Resolution on May 19, 2011.

Linda Avery  
Commission Secretary

AYES:

NAYS:

ABSENT:

ADOPTED:

1 [Planning Code Amendments to Update Fees.]

2 **Ordinance amending the San Francisco Planning Code by amending**  
3 **Sections 350, 351, 352, 353, 354, 355, and 358 to increase fees 2.07 percent**  
4 **based on the Controller's annual two-year average consumer price index**  
5 **(CPI) and place a cap on the intake fee amount at no more than 50% of the**  
6 **estimated construction cost of the project when applying for a Commission**  
7 **or Zoning Administrator Hearing Application (conditional use or variance,**  
8 **including Downtown Applications), certificate of appropriateness, or a**  
9 **building permit application.**

11 Note: Additions are single-underline italics Times New Roman.

12 Deletions are ~~strikethrough italics Times New Roman~~.

13 Board amendment additions are double underlined.

14 Board amendment deletions are ~~Strikethrough Normal~~.

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

16 Section 1. Findings. (a) The Planning Department is able to recover the  
17 cost of long range planning through its building permit review, CEQA (California  
18 Environmental Quality Act, California Public Resources Code Sections 21000 et  
19 seq.) review, and land use entitlement fees.

20 (b) The current fee structure is set to recover a portion of long range  
21 planning cost through said fees, but the cost of long range planning, which  
22 includes historic preservation survey and designation work, is increasing beyond  
23 the annual cost of living adjustment.

24 (c) It is in the public interest for the private project sponsor to  
25 reimburse the City for the benefit he or she derives as a consequence of public  
supported planning. This Board of Supervisors finds that this Ordinance is  
consistent with the General Plan and Priority Policies of Section 101.1(b) of the

FILE NO. 11-XXXX

ORDINANCE NO.

1 Planning Code for the reasons set forth in the Planning Commission Resolution  
2 No. \_\_\_\_\_ and incorporates said Resolution herein by reference. A  
3 copy of said resolution is on file with the Clerk of the Board of Supervisors in File  
4 No. \_\_\_\_\_. Pursuant to Planning Code Section 302, this Board of  
5 Supervisors finds that this Ordinance will serve the public necessity, convenience  
6 and welfare for the reasons set forth in Planning Commission Resolution No.  
7 \_\_\_\_\_ and incorporates said Resolution herein by reference. A copy of  
8 said resolution is on file with the Clerk of the Board of Supervisors in File No.  
9 \_\_\_\_\_.

10 (d) Environmental Finding. The Planning Department has determined  
11 that the proposed fee adjustments are statutorily excluded from CEQA under the  
12 CEQA Guidelines Section 15273(a), which exempts rates, tolls, fares and  
13 charges such as those proposed here. Said determination is on file with the  
14 Clerk of the Board of Supervisors in File No. \_\_\_\_\_ and is incorporated  
15 herein by reference.

16 Section 2. The San Francisco Planning Code is hereby amended by  
17 amending Section 350 to read as follows:

18 **SEC. 350. - FEES, GENERAL.**

19 Fees shall be imposed in order to compensate the Planning Department  
20 for the cost of processing applications and for the development and revision of  
21 land use controls. Fees shall be charged and collected as indicated for each  
22 class of application, permit, filing request or activity listed in Sections 351 through  
23 358 below.

24 (a) Estimated construction costs are as defined by the San Francisco  
25 Building Code.

FILE NO. 11-XXXX

ORDINANCE NO.

1 (b) All fees are payable at time of filing application or request, except  
2 where noted otherwise. However, the Director of Planning or his/her designee  
3 may authorize phased collection of the fee for a project whose work is projected  
4 to span more than one fiscal year. A nonrefundable processing fee of ~~\$52~~53 is  
5 required to set-up any installment payment plan for all application fees. The  
6 balance of phased payments must be paid in full one week in advance of the first  
7 scheduled public hearing before the Planning Commission to consider the project  
8 or before issuance of the first site permit if no hearing is required.

9 (c) Time and Materials. The Planning Department shall charge the  
10 applicant for any time and materials cost incurred in excess of the initial fee  
11 charged if required to recover the Department's costs for providing services.

12 (1) The Department shall charge time and materials to recover the cost of  
13 correcting code violations and violations of Planning Commission and  
14 Department conditions of approval of use if such costs are not covered by the  
15 monitoring fee for conditions of approval specified in Section 351(e)(1).

16 (2) Where a different limitation on time and material charges is set forth  
17 elsewhere in this Article, that limitation shall prevail.

18 (3) The Planning Department may also charge for any time and material  
19 costs incurred by other departments or agencies of the City and County of San  
20 Francisco.

21 (4) Any balance of time and materials costs for active and open projects  
22 must be paid in full one week in advance of a scheduled public hearing before  
23 the Planning Commission to consider the project or before issuance of the first  
24 site permit if no hearing is required.

25 (d) Refunds. When an application is withdrawn by the applicant prior to a  
public hearing, or deemed canceled by the Planning Department due to inactivity

FILE NO. 11-XXXX

ORDINANCE NO.

1 on the part of the applicant, then the applicant shall be entitled to a refund of the  
2 fee paid to the Department less the time and materials expended minus a \$~~427~~  
3 436 processing fee. Refund requests must be submitted within six months of the  
4 project closure date.

5 (e) Deferred or Reduced Fee.

6 (1) Any fraternal, charitable, benevolent or any other nonprofit  
7 organization, that is exempt from taxation under the Internal Revenue laws of the  
8 United States and the Revenue and Taxation Code of the State of California as a  
9 bona fide fraternal, charitable, benevolent or other nonprofit organization, or  
10 public entity that submits an application for the development of residential units  
11 all of which are affordable to low and moderate income households, as defined  
12 by the United States Housing and Urban Development Department, for a time  
13 period that is consistent with the policy of the Mayor's Office of Housing and the  
14 San Francisco Redevelopment Agency, may defer payment of the fees except  
15 those under 352d and 352n until (1) before final Planning Department approval of  
16 the building permit, preparatory to issuance of the building permit, before the  
17 building permit is released to the applicant, or (2) within one year of the date of  
18 action on the application, whichever comes first. This exemption shall apply  
19 notwithstanding the inclusion in the development of other nonprofit ancillary or  
20 accessory uses. Should the project be withdrawn prior to final Planning approval,  
21 the applicant shall pay time and material costs pursuant to Section 350(c).

22 (2) An exemption from paying the full fees specified under Section 352d  
23 and 352n may be granted when the requestor's income is not enough to pay for  
24 the fee without affecting their abilities to pay for the necessities of life, provided  
25 that the person seeking the exemption demonstrates to the Planning Director or  
his/her designee that they are substantially affected by the proposed project.

FILE NO. 11-XXXX

ORDINANCE NO.

1 (f) Late Payment.

2 (1) Charges and Collection of Overdue Accounts. The Director or his/her  
3 designee shall call upon the Bureau of Delinquent Revenues or duly licensed  
4 collection agencies for assistance in collecting delinquent accounts more than 60  
5 days in arrears, in which case any additional costs of collection may be added to  
6 the fee amount outstanding. If the Department seeks the assistance of a duly  
7 licensed collection agency, the approval procedures of Administrative Code  
8 Article 5, Section 10.39-1 et seq. will be applicable.

9 (g) Fee Adjustments.

10 (1) The Controller will annually adjust the fee amounts specified in Section  
11 351(d), (e), (f), (g), (h), (i) and Section 352(b), (d), (e), (g), (i), (j), (k), (l), (m), and  
12 Section 353(a), (c), (d), and Section 355(a), (2), (3), (4), (5), (6), (7)(b), (c), (d),  
13 (e), and Section 356(c), (d), (e), and Section 357 and Section 358 (a), (b), (c), (d)  
14 by the two-year average consumer price index (CPI) change for the San  
15 Francisco/San Jose Primary Metropolitan Statistical Area (PMSA).

16 Section 3. The San Francisco Planning Code is hereby amended by  
17 amending Section 351 to read as follows:

18 **SEC. 351. - MISCELLANEOUS SERVICES.**

19 (a) Agendas for Planning Commission: ~~\$3738.00~~ annual subscription to  
20 cover costs of mailing. The Planning Director or his/her designee may authorize  
21 exemptions in those instances where costs would impose financial hardship.

22 (b) Agendas for Historic Preservation Commission: ~~\$3738.00~~ annual  
23 subscription to cover costs of mailing. The Planning Director or his/her designee,  
24 may authorize exemption in those instances where costs would impose financial  
25 hardship.

FILE NO. 11-XXXX

ORDINANCE NO.

1 (c) Document Retrieval: Files stored on-site - actual costs for printing  
2 file(s), Files stored off-site: - actual costs for retrieval, printing and return of files,  
3 as specified in a retrieval schedule prepared by Director of Planning, or his/her  
4 designee.

5 (d) Information, Analysis, Report Preparation and Presentation, Research  
6 Services, Data Requests: The costs of report preparation may be amortized by  
7 factoring full-cost recovery into the pricing of such information and reports:  
8 ~~\$245~~250.00 as an initial fee.

9 (e) Monitoring Projects:

10 (1) Monitoring Conditions of Approval: Upon adoption of conditions of  
11 approval which the Zoning Administrator determines require active monitoring,  
12 the fee shall be ~~\$1,130~~1,153.00 as an initial fee, plus time and materials as set  
13 forth in Section 350(c).

14 (f) Project Review for Policy and Code Review and Interpretation for  
15 Prospective Projects for which an Application has not been Filed, and Site-  
16 Specific Design Guidelines and Code-Complying Massing Recommendations  
17 and Department facilitated pre-application meetings: ~~\$368~~376.00 for new  
18 construction and modifications to 5 or fewer dwelling units and for affordable  
19 housing projects as defined in the Guidelines of the United States Housing and  
20 Urban Development Department, and ~~\$871~~889.00 for all other projects and  
21 Department facilitated pre-application meetings.

22 (g) (1) Project Notifications for an Individual Requesting Notification of  
23 Project Applications:

24 (A) First Address or First Assessor's Lot: ~~\$32~~33.00 per annum.

25 (B) Additional Addresses: \$13.00 for addresses in each new Assessor's  
Lot thereafter, per annum.

1 (2) Project Notifications for a Neighborhood Organization, defined as (i)  
2 having been in existence for 24 months prior to the request, and (ii) is listed on  
3 the Planning Department's neighborhood organization notification list, requesting  
4 Notification of Project Applications:

5 (A) First Address or First Assessor's Block: ~~\$3~~233.00 per annum.

6 (B) Additional Addresses: \$13.00 for addresses in each new Assessor's  
7 Block thereafter, per annum.

8 (h) Zoning Administrator Written Determinations Pursuant to Section  
9 307(a): ~~\$122~~125.00 for zoning letters of conformance, ~~\$552~~563.00 for other written  
10 determinations.

11 (i) Reactivating an application that the Zoning Administrator has deemed  
12 withdrawn due to inactivity and the passage of time, subject to the approval of  
13 the Zoning Administrator and within six months of the date the application was  
14 deemed withdrawn: ~~\$232~~237.00

15 Section 3. The San Francisco Planning Code is hereby amended by  
16 amending Section 352 to read as follows:

17 **SEC. 352. - COMMISSION AND ZONING ADMINISTRATOR HEARING**  
18 **APPLICATIONS.**

19 (a) Conditional Use (Section 303), Planned Unit Development (Section  
20 304). *The initial fee amount is not to exceed 50% of the construction cost.*

Estimated Construction Cost	Initial Fee
No construction cost, excluding extension of hours	<del>\$1,800</del> 1,837.00
No construction cost, extension of hours	<del>\$1,286</del> 1,313.00

FILE NO. 11-XXXX

ORDINANCE NO.

1	Wireless Telecommunications Services (WTS)	<del>\$4,500</del> 4,593.00
2	Estimated Construction Cost	Initial Fee
3		
4	\$1.00 to \$9,999.00	<del>\$1,286</del> 1,313.00
5	\$10,000.00 to \$999,999.00	<del>\$1,286</del> 1,313.00 plus 0.583595% of cost
6		over \$10,000.00
7	\$1,000,000.00 to \$4,999,999.00	<del>\$7,171</del> 7,319.00 plus 0.695709% of cost
8		over \$1,000,000.00
9	\$5,000,000.00 to \$9,999,999.00	<del>\$35,537</del> 36,273.00 plus 0.583595% of cost
10		over \$5,000,000.00
11	\$10,000,000.00 to \$19,999,999.00	<del>\$65,257</del> 66,608.00 plus 0.303309% of cost
12		over \$10,000,000.00
13	\$20,000,000.00 or more	<del>\$96,230</del> 98,222.00

(b) Variance (Section 305)

Variance fees are subject to additional time and material charges, as set forth in Section 350(c). The initial fee amount is not to exceed 50% of the construction cost.

19	Estimated Construction Cost	Initial Fee
20	\$0.00—\$9,999.00	<del>\$817.00</del> 834.00
21	\$10,000.00—\$19,999.00	<del>\$1,821</del> 1,859.00
22	\$20,000.00 and greater	<del>\$3,708</del> 3,785.00

FILE NO. 11-XXXX

ORDINANCE NO.

1 (c) Downtown (C-3) District Review (Section 309) and Coastal Zone  
 2 Permit (Section 330) Applications Commission Hearing Fee Schedule. *The initial*  
 3 *fee amount is not to exceed 50% of the construction cost.*

4 Estimated Construction Cost	Initial Fee
5 \$0.00 to \$9,999.00	\$ <del>25</del> 261.00
6 \$10,000.00 to \$999,999.00	\$ <del>26</del> 266.00 plus 0. <del>17</del> 119% of cost over 7 \$10,000.00
8 \$1,000,000.00 to 9 \$4,999,999.00	\$ <del>1,44</del> 21,472.00 plus 0. <del>13</del> 142% of cost over 10 \$1,000,000.00
11 \$5,000,000.00 to 12 \$9,999,999.00	\$ <del>7,13</del> 7,278.00 plus 0. <del>16</del> 118% of cost over 13 \$5,000,000.00
14 \$10,000,000.00 to 15 \$19,999,999.00	\$ <del>13,05</del> 13,320.00 plus 0. <del>06</del> 1062% of cost over 16 \$10,000,000
\$20,000,000.00 or more	\$ <del>19,26</del> 819,667.00

17 (1) Applications with Verified Violations of this Code: The Planning  
 18 Department shall charge \$~~204~~208.00 as an initial fee, plus time and materials as  
 19 set forth in Section 350(c).

20 (2) Where an applicant requests two or more approvals involving a  
 21 conditional use, planned unit development, variance, Downtown (C-3) District  
 22 Section 309 review, certificate of appropriateness, permit to alter a significant or  
 23 contributory building both within and outside of Conservation Districts, or a  
 24 coastal zone permit review, the amount of the second and each subsequent  
 25 initial fees of lesser value shall be reduced to 50 percent.

FILE NO. 11-XXXX

ORDINANCE NO.

1 (3) Minor project modifications requiring a public hearing to amend  
2 conditions of approval of a previously authorized project, not requiring a  
3 substantial reevaluation of the prior authorization: ~~\$955~~975.00.

4 (4) The applicant shall be charged for any time and materials beyond the  
5 initial fee in Section 352, as set forth in Section 350(c).

6 (5) An applicant proposing major revisions, as determined by the Zoning  
7 Administrator, to a project application that has been inactive for more than six  
8 months and is assigned shall submit a new application. An applicant proposing  
9 major revisions to a project which has not been assigned and for which an  
10 application is on file with the Planning Department shall be charged time and  
11 materials to cover the full costs in excess of the initial fee paid.

12 (6) For agencies or departments of the City and County of San Francisco,  
13 the initial fee for applications shall be based upon the construction cost as set  
14 forth above.

15 (d) Discretionary Review Request: \$500.00; provided, however, that the  
16 fee shall be waived if the discretionary review request is filed by a neighborhood  
17 organization that: (1) has been in existence for 24 months prior to the filing date  
18 of the request, (2) is on the Planning Department's neighborhood organization  
19 notification list, and (3) can demonstrate to the Planning Director or his/her  
20 designee that the organization is affected by the proposed project. Such fee shall  
21 be refunded to the individual or entity that requested discretionary review in the  
22 event the Planning Commission denies the Planning Department's approval or  
23 authorization upon which the discretionary review was requested. Mandatory  
24 discretionary reviews: ~~\$3,438~~3,509.00.

25 (e) Institutional Master Plan (Section 304.5).

FILE NO. 11-XXXX

ORDINANCE NO.

1 (1) Full Institutional Master Plan or Substantial Revision: ~~\$12,259~~12,513.00  
2 plus time and materials if the cost exceeds the initial fee as set forth in Section  
3 350(c).

4 (2) **Abbreviated Institutional Master Plan:** ~~\$2,244~~2,290.00 plus time and  
5 materials if the cost exceeds the initial fee as set forth in Section 350(c).

6 (f) **Land Use Amendments and Related Plans and Diagrams of the**  
7 **San Francisco General Plan:** Fee based on the Department's estimated actual  
8 costs for time and materials required to review and implement the requested  
9 amendment, according to a budget prepared by the Director of Planning, in  
10 consultation with the sponsor of the request.

11 (g) **General Plan Referrals:** ~~\$3,310~~3,379.00 plus time and materials if the  
12 cost exceeds the initial fee as set forth in Section 350(c).

13 (h) **Redevelopment Plan Review:** The Director of Planning shall prepare  
14 a budget to cover actual time and materials expected to be incurred, in  
15 consultation with the Redevelopment Agency. A sum equal to ½ the expected  
16 cost will be submitted to the Department, prior to the commencement of the  
17 review. The remainder of the costs will be due at the time the initial payment is  
18 depleted.

19 (i) **Reclassify Property or Impose Interim Zoning Controls:**

20 ~~\$7,052~~7,198.00

21 (1) The applicant shall be charged for any time and materials as set forth  
22 in Section 350(c).

23 (2) Applications with Verified Violations of this Code: The Planning  
24 Department shall charge time and materials as set forth in Section 350(c).

25 (j)Setback Line, Establish, Modify or Abolish: ~~\$2,851~~2,910.00

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ORDINANCE NO.

1 (k) Temporary Use Fees: ~~\$409~~417.00 as an initial fee, plus time and  
2 materials if the cost exceeds the initial fee, as set forth in Section 350(c).

3 (l) Amendments to Text of the Planning Code: ~~\$14,000~~14,382.00 as an  
4 initial fee, plus time and materials if the cost exceeds the initial fee as set forth in  
5 Section 350(c).

6 (m) Zoning Administrator Conversion Determinations Related to Service  
7 Station Conversions: ~~\$2,783~~2,841.00 as an initial fee, plus time and materials if  
8 the cost exceeds the initial fee. (Section 228.4).

9 (n) Conditional Use Appeals to the Board of Supervisors:

10 (1) \$500.00 for the appellant of a conditional used authorization decision  
11 to the Board of Supervisors; provided, however, that the fee shall be waived if the  
12 appeal is filed by a neighborhood organization that: (1) has been in existence for  
13 24 months prior to the appeal filing date, (2) is on the Planning Department's  
14 neighborhood organization notification list, and (3) can demonstrate to the  
15 Planning Director or his/her designee that the organization is substantially  
16 affected by the proposed project.

17 (2) Such fees shall be used to defray the cost of an appeal to the Planning  
18 Department. At the time of filing an appeal, the Clerk of the Board of Supervisors  
19 shall collect such fee and forward the fee amount to the Planning Department.

20 Section 4. The San Francisco Planning Code is hereby amended by  
21 amending Section 353 to read as follows:

22 **SEC. 353. - DOWNTOWN APPLICATIONS.**

23 (a) Exception in C-3 District (Section 309): ~~\$1,815~~1,853.00 as an initial fee,  
24 plus time and materials as set forth in section 350(c) for one or more exceptions  
25 to the Planning Code, which shall not be reduced per Section 352(c)(2).

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ORDINANCE NO.

1 (b) Modifications in C-3 District, Determination of Need (Section 309):  
2 Same as Basic commission hearing fee schedule (Sections 352(c), 352(c)(1) et  
3 seq.).

4 (c) Office Development Limitation Projects (Sections 320 through 323):  
5 \$~~4,866~~4,967.00 per application at initial intake plus time and materials as set forth  
6 in Section 350(c).

7 (d) Article 11 Designated Buildings:

8 (1) Significant or Contributory Building, Designation or Change of  
9 Boundary: \$~~6,407~~6,277.00.

10 (2) Conservation District, Designation or Change of Boundary:  
11 \$~~6,407~~6,277.00

12 (3) Permit to Alter a Significant or Contributory Building Within a  
13 Designated Conservation District, not Deemed Minor by the Zoning  
14 Administrator: \$~~8,459~~8,287.00 plus time and materials in excess of initial fee as  
15 set forth in Section 350(c).

16 (4) Alteration of a Contributory Building Located Outside a Conservation  
17 District From Which No TDR Has Been Transferred and No Issuance of a Permit  
18 Pursuant to Sections 1111 through 1111.6: \$~~8,459~~8,287.00

19 (5) Significant or Contributory Building Demolition in or outside of a  
20 Conservation District for which TDRs have been transferred: \$~~8,459~~8,287.00 This  
21 fee shall be in addition to any fee otherwise required for permits to alter or  
22 demolish. However, applications to demolish a Contributory Building located  
23 outside a Conservation District from which no TDR has been transferred or a  
24 Category V Building in a Conservation District from which no TDR has been  
25 transferred are subject only to the demolition fee contained in Section 355(b).

(6) Statement of Eligibility: \$~~1,500~~1,470.00.

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ORDINANCE NO.

1 (7) Certificate of Transfer, Execution: \$433424.00.

2 (8) Certification of Transfer of TDR, Notice of Use: \$1,3517,324.00.

3 Section 5. The San Francisco Planning Code is hereby amended by  
4 amending Section 355 to read as follows:

5 **SEC. 355. - PERMIT APPLICATIONS.**

6 (a) Building permit applications for a change in use or alteration of an  
7 existing building, to be collected by Central Permit Bureau; provided, however,  
8 that the fees charged for Planning Department approval over-the-counter for the  
9 replacement of windows, roofs, siding, and doors shall be reduced to ½ the fee  
10 set forth below. The Planning Department initial fee amount is not to exceed 50% of  
11 the construction cost. Applications for permit revisions are excluded.

Estimated Construction Cost	Initial Fee
\$0.00 to \$9,999.00	\$326319.00
\$10,000.00 to \$49,999.00	\$334327.00 plus 3.4143.345% of cost over \$10,000.00
\$50,000.00 to \$99,999.00	\$1,7251,690.00 plus 2.281235% of cost over \$50,000.00 plus \$8987.00 Discretionary Review Surcharge and \$291285.00 Categorical Exemption Stamp Fee
\$100,000.00 to \$499,999.00	\$2,8902,831.00 plus 2.497446% of cost over \$100,000.00 plus \$8987.00 Discretionary Review Surcharge and \$291285.00 Categorical Exemption Stamp Fee
\$500,000.00 to \$999,999.00	\$13,06812,803.00 plus 0.631678% of cost over \$500,000.00 plus \$8987.00 Discretionary Review Surcharge and

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ORDINANCE NO.

1		\$291285.00 Categorical Exemption Stamp Fee
2	\$1,000,000.00 to	\$16,28615,956.00 plus 0.248243% of cost over
3	\$4,999,999.00	\$1,000,000.00 plus \$8987.00 Discretionary Review
4		Surcharge and \$291285.00 Categorical Exemption Stamp
5		Fee
6	\$5,000,000.00 to	\$26,39225,857.00 plus .004% of cost over \$5,000,000.00
7	\$99,999,999.00	plus \$8987.00 Discretionary Review Surcharge and
8		\$291285.00 Categorical Exemption Stamp Fee
9		
10	\$100,000,000.00 or	\$30,53029,911.00 plus \$8987.00 Discretionary Review
11	more	Surcharge and \$291285.00 Categorical Exemption Stamp
12		Fee

13 (1) Application with Verified Violations of this Code: The Planning  
 14 Department shall charge \$1,153.00~~1,130~~ as an inspection fee for monitoring code  
 15 violation abatements.

16 (2) Back-Check Fee for Permit Revisions: \$208~~204~~.00 for the initial fee,  
 17 plus time and materials as set forth in Section 350(c), to be collected at time of  
 18 permit issuance.

19 (3) Shadow Impact Fee for New Construction or Alteration Exceeding 40  
 20 Feet in Height (Section 295): Additional \$477~~467~~.00 plus time and materials as  
 21 set forth in Section 350(c).

22 (4) Public Notification Fee for Projects Requiring Public Notice Pursuant to  
 23 Section 311: \$49~~48~~.00, plus \$3.26~~3.03~~ per envelope (subject to increase based on  
 24 envelope and postage costs). The City's reprographics department will print and  
 25 mail public notices.

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ORDINANCE NO.

1 (5) Public Notification Fee for Projects Requiring Public Notice Pursuant to  
 2 Section 312: \$4948.00, plus \$1.130.89 per envelope (subject to increase based on  
 3 envelope and postage costs). The City's reprographics department will print and  
 4 mail public notices.

5 (6) For projects with a construction cost of \$100,000,000.00 or more, the  
 6 applicant shall be charged the permit fee for a project with a \$100,000,000.00  
 7 construction cost.

8 (7) Permits for solar panels and over-the-counter permits for solar  
 9 equipment installation shall be \$140.37.00 per permit.

10 (b) Building Permit Applications for a New Building. *The Planning*  
 11 *Department initial fee amount is not to exceed 50% of the construction cost.*  
 12 *Applications for permit revisions are excluded.*

Estimated Construction Cost	Initial Fee
\$0 to \$99,999	\$1,887.849.00, plus \$8987.00 Discretionary Review Surcharge and \$291285.00 Categorical Exemption Stamp Fee
\$100,000.00 to \$499,999.00	\$1,888.850.00, plus 2.4462.497% of cost over \$100,000.00 plus \$8987.00 Discretionary Review Surcharge and \$291285.00 Categorical Exemption Stamp Fee
\$500,000.00 to \$999,999.00	\$12,068.823.00 plus 0.7810.797% of cost over \$500,000.00 plus \$8987.00 Discretionary Review Surcharge and \$291285.00 Categorical Exemption Stamp Fee
\$1,000,000 to	\$16,130.803 plus 0.3000.306% of cost over

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1	\$4,999,999.00	\$1,000,000.00 plus \$8987.00 Discretionary Review
2		Surcharge and \$291285.00 Categorical Exemption Stamp
3		Fee
4	\$5,000,000.00 to	\$28.63028,049.00 plus 0.005% of cost of \$5,000,000 plus
5	\$99,999,999.00	\$8987.00 Discretionary Review Surcharge and \$291285.00
6		Categorical Exemption Stamp Fee
7	\$100,000,000.00 or	\$33,80433,118.00 plus \$8987.00 Discretionary Review
8	more	Surcharge and \$291285.00 Categorical Exemption Stamp
9		Fee

(1) **Applications with Verified Violations of this Code:** \$1,153,130 as an inspection fee for monitoring code violation abatements.

(c) Demolition Applications, to be collected by Central Permit Bureau: \$1,471 ~~1,441~~.00.

(d) Fire, Police, Entertainment Commission, State Alcohol & Beverages Control and Health Department Permit Applications Referral Review: \$124 ~~121~~.00 initial fee collected by the other departments in conjunction with current fee collections, plus time and materials as set forth in Section 350(c).

(e) Sign Permit Applications, to be collected by Central Permit Bureau: \$130 ~~127~~.00.

Section 6. The San Francisco Planning Code is hereby amended by amending Section 356 to read as follows:

**SEC. 356. - PRESERVATION APPLICATIONS. (Article 10).**

(a) Landmark: \$267 ~~262~~.00.

(b) Amendment, Rescission or Designation of Historical District: \$1,069 ~~1,047~~.00 plus time and materials in excess of initial fee as set forth in Section

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ORDINANCE NO.

1 350c. The Planning Director or his/her designee may waive time and material  
2 charges for the designation of a Historical District to encourage Citywide  
3 preservation activities.

4 (c) Certificate of Appropriateness: \$314. ~~308.00~~ for applications with an  
5 estimated construction cost less than \$1,000.00; \$1,252 ~~1,227.00~~ for applications  
6 with an estimated construction less than \$20,000.00, \$5,793 ~~5,676.00~~ for  
7 applications with an estimated construction value \$20,000.00 and more, plus  
8 time and materials in excess of initial fee as set forth in Section 350(c). *The initial*  
9 *fee amount is not to exceed 50% of the construction cost.*

10 (d) Determination that a Building is a Compatible Rehabilitation or a  
11 Compatible Replacement Building, Pursuant to Section 309 or 1109: Same as for  
12 Conditional Use (Section 352(a)).

13 (e) Processing and Administering an Application for a Historical Properties  
14 Contract Under the California Mills Act, California Government Code Sections  
15 50280—50290: \$18,310 ~~17,939.00~~ for commercial properties and \$9,159 ~~8,973.00~~  
16 for residential properties.

17 Section 7. The San Francisco Planning Code is hereby amended by  
18 amending Section 357 to read as follows:

19 **SEC. 357. - TRANSPORTATION REVIEW ASSOCIATED WITH PROJECT**  
20 **APPLICATIONS.**

21 (a) Transportation Study \$21,758 ~~21,317.00~~ plus time and materials as set  
22 forth in Section 350(c). Extremely complex transportation studies will be charged  
23 a higher initial fee based on the specifics of the project which will be outlined in  
24 an Agreement between the Department and the project sponsor.

25 (b) Municipal Transportation Agency review of transportation impact study:  
\$4,185 ~~4,100~~ per study.

1 Section 8. The San Francisco Planning Code is hereby amended by  
2 amending Section 358 to read as follows:

3 **SEC. 358. - GENERAL ADVERTISING SIGNS FEES.**

4 (a) The fee for the relocation agreement application pursuant to Section  
5 611 and Administrative Code Section 2.21 shall be \$1,249 ~~1,224.00~~ per individual  
6 relocation agreement application.

7 (b)The fee for the initial inventory processing pursuant to Section 604.2  
8 shall be \$699.685.00 per sign structure.

9 (c)The fee for an in-lieu application pursuant to Section 604.1 shall be  
10 \$399~~391.00~~ per sign structure.

11 (d)The fee for annual inventory maintenance pursuant to Section 604.2  
12 shall be \$226~~221.00~~.

13 (e)Fee Review and Adjustment. Beginning with fiscal year 2007-2008, the  
14 fees established in this Section may be adjusted each year, without further action  
15 by the Board of Supervisors, to reflect changes in the relevant Consumer Price  
16 Index, as determined by the Controller. No later that April 15th of each year, the  
17 Director shall submit the Department's current fees schedule to the Controller,  
18 who shall apply the price index adjustment to produce a new fee schedule for the  
19 following year. No later that May 15th of each year, the Controller shall file a  
20 report with the Board of Supervisors reporting the new fee schedule and  
21 certifying that: (a) the fees produce sufficient revenue to support the costs of  
22 providing the services for which the fee is charged and (b) the fees do not  
23 produce revenue that exceeds the costs of providing the services for which each  
24 permit fee is charged. Notwithstanding the procedures set forth in this Section,  
25 the Board of Supervisors, in its discretion, may modify the fees by ordinance at  
any time.

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ORDINANCE NO.

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

By: \_\_\_\_\_  
Kate Herrmann Stacy  
Deputy City Attorney



# SAN FRANCISCO PLANNING DEPARTMENT

## Historic Preservation Commission Motion

**No. xxxxx**

HEARING DATE: MAY 18, 2011

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:* **Amendments relating to Planning Code Article 3.5:  
Fee Changes**

*Case Number:* 2011.0412T

*Initiated by:* Planning Department

*Staff Contact:* Keith DeMartini, Finance Manager  
Keith.DeMartini@sfgov.org, 415-575-9118

*Reviewed by:* Thomas DiSanto, Chief Administrative Officer  
Thomas.DiSanto@sfgov.org, 415-575-9113

*Recommendation* **Recommend Approval**

RECOMMENDING ADOPTION OF A PROPOSED ORDINANCE THAT WOULD AMEND ARTICLE 3.5 TO: (1) PLACE A CAP ON THE INITIAL FEE AMOUNT AT NO MORE THAN 50% OF THE ESTIMATED CONSTRUCTION COST OF THE PROJECT WHEN APPLYING FOR A COMMISSION OR ZONING ADMINISTRATOR HEARING APPLICATION (CONDITIONAL USE OR VARIANCE, INCLUDING DOWNTOWN APPLICATIONS), CERTIFICATE OF APPROPRIATENESS, OR A BUILDING PERMIT APPLICATION, AND (2) ADJUST FEES BASED ON THE CONTROLLER'S ANNUAL TWO-YEAR AVERAGE CONSUMER PRICE INDEX (CPI), AND MAKES SECTION 302 AND ENVIRONMENTAL FINDINGS.

### PREAMBLE

Whereas, for many small-scale construction projects where the estimated construction cost is less than \$7,500, the implementation of the existing rule has resulted in the initial fee amount being more than 50% of the estimated construction cost. Many applicants have expressed concern that the relatively high initial fee amount in relation to the construction cost has deterred applicants from following through on a project.

Whereas, the proposed change of limiting the initial fee at no more than 50% of the estimated construction cost does not represent a significant revenue impact compared to the department's overall revenue budget and will encourage applicants to follow through on these projects.

The Historic Preservation Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on May 18, 2011.

The Planning Department (hereinafter "Department") has not received any letters or phone calls in support or in opposition to the proposed Ordinance.

MOVED, that the Commission hereby recommends the ADOPTION of the proposed Ordinance based on the following findings:

## 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:

Conditional Use Applications (Planning Code, Section 352(a): The current initial fee for variance applications is based on construction costs. The fees will be adjusted based on the Controller's annual two-year average consumer price index (CPI). *"The initial fee amount is not to exceed 50% of the construction cost."*

\$0 to \$9,999 - ~~\$1,286~~ \$1,313

\$10,000 to \$999,999 - ~~\$1,286~~ \$1,313 plus ~~0.583%~~ 0.595% of cost over \$10,000

\$1,000,000 to \$4,999,999 - ~~\$7,171~~ \$7,319 plus ~~0.695%~~ 0.709% of cost over \$1,000,000

\$5,000,000 to \$9,999,999 - ~~\$35,537~~ \$36,273 plus ~~0.583%~~ 0.595% of cost over \$5,000,000

\$10,000,000 to \$19,999,999 - ~~\$65,257~~ \$66,608 plus ~~0.303%~~ 0.309% of cost over \$10,000,000

\$20,000,000 or more - ~~\$96,230~~ \$98,222

All applications will be subject to time and materials billing if the cost of reviewing the application exceeds the initial fee charged.

Commission and Variance Applications (Planning Code, Section 352(b): The current initial fee for variance applications depends on construction costs. The fees will be adjusted based on the Controller's annual two-year average consumer price index (CPI). *"The initial fee amount is not to exceed 50% of the construction cost."*

\$0 to \$9,999 - ~~\$842~~ \$859 (= ~~\$817~~ \$834 + Board of Appeal Surcharge \$25)

\$10,000 to \$19,999 - ~~\$1,846~~ \$1,884 (= ~~\$1,821~~ \$1,859 + Board of Appeal Surcharge \$25)

\$20,000 or more - ~~\$3,733~~ \$3,810 (= ~~\$3,708~~ \$3,785 + Board of Appeal Surcharge \$25)

All applications will be subject to time and materials billing if the cost of reviewing the application exceeds the initial fee charged.

Downtown (C-3) District Review (Section 309) and Coastal Zone Permit (Section 330) Applications (Planning Code, Section 352(c): The current initial fee for variance applications is based on construction costs. The fees will be adjusted based on the Controller's annual two-year average consumer price index (CPI). *"The initial fee amount is not to exceed 50% of the construction cost."*

\$0 to \$9,999 - ~~\$256~~ \$261

\$10,000 to \$999,999 - ~~\$261~~ \$266 plus ~~0.117%~~ 0.119% of cost over \$10,000

\$1,000,000 to \$4,999,999 - ~~\$1,442~~ \$1,472 plus ~~0.139%~~ 0.142% of cost over \$5,000,000

\$5,000,000 to \$9,999,999 - ~~\$7,130~~ \$7,278 plus ~~0.116%~~ 0.118% of cost over \$10,000,000

\$10,000,000 to \$19,999,999 - ~~\$13,050~~ \$13,320 plus ~~0.061%~~ 0.062% of cost over \$10,000,000

\$20,000,000 or more - ~~\$19,268~~ \$19,667

All applications will be subject to time and materials billing if the cost of reviewing the application exceeds the initial fee charged.

Certificate of Appropriateness (Planning Code, Section 356(c): The current initial fee for certificate of appropriateness applications depends on construction costs. The fees will be adjusted based on the Controller's annual two-year average consumer price index (CPI). *"The initial fee amount is not to exceed 50% of the construction cost."*

\$0 to \$9,999 - ~~\$333~~ \$339 (= ~~\$308~~ \$314 + Board of Appeal Surcharge \$25)

\$10,000 to \$19,999 - ~~\$1,252~~ \$1,277 (= ~~\$1,227~~ \$1,252 + Board of Appeal Surcharge \$25)

\$20,000 or more - ~~\$5,701~~ \$5,818 (= ~~\$5,676~~ \$5,793 + Board of Appeal Surcharge \$25)

All applications will be subject to time and materials billing if the cost of reviewing the application exceeds the initial fee charged.

Building Permit Applications (Planning Code, Section 355): The current initial fees for building permit applications depend on construction costs. The fees will be adjusted based on the Controller's annual two-year average consumer price index (CPI). *"The Planning Department initial fee amount is not to exceed 50% of the construction cost. Applications for permit revisions are excluded."*

**Building Permit Applications for a Change in Use or Alteration of an Existing Building:**

\$0 to \$9,999 - ~~\$319~~ \$326

\$10,000 to \$49,999 - ~~\$327~~ \$334 + ~~3.345%~~ 3.414% over \$10,000

\$50,000 to \$99,999 - ~~\$2,062~~ \$2,105 + ~~2.235%~~ 2.281% over \$50,000

\$100,000 to \$499,999 - ~~\$3,203~~ \$3,270 + ~~2.446%~~ 2.497% over \$100,000

\$500,000 to \$999,999 - ~~\$13,175~~ \$13,448 + ~~0.618%~~ 0.631% over \$500,000

\$1,000,000 to \$4,999,999 - ~~\$16,328~~ \$16,666 + ~~0.243%~~ 0.248% over \$1,000,000

\$5,000,000 to \$99,999,999 - ~~\$26,229~~ \$26,772 + 0.004% over \$5,000,000

\$100,000,000 or more - ~~\$30,283~~ \$30,910

**Building Permit Applications for New Construction:**

\$0 to \$99,999 - ~~\$2,221~~ \$2,267

\$100,000 to \$499,999 - ~~\$2,222~~ \$2,268 + ~~2.446%~~ 2.497% over \$100,000

\$500,000 to \$999,999 - ~~\$12,195~~ \$12,448 + ~~0.781%~~ 0.797% over \$500,000

\$1,000,000 to \$4,999,999 - ~~\$16,175~~ \$16,510 + ~~0.300%~~ 0.306% over \$1,000,000

\$5,000,000 to \$99,999,999 - ~~\$28,421~~ \$29,010 + 0.005% over \$5,000,000

\$100,000,000 or more - ~~\$33,490~~ \$34,184

All applications will be subject to time and materials billing if the cost of reviewing the application exceeds the initial fee charged.

## DECISION

The Commission, after carefully balancing the competing public and private interests, and based upon the Recitals and Findings set forth above, in accordance with the standards specified in the Code, hereby

approves placing a cap on the initial fee amount at no more than 50% of the estimated construction cost of the project when applying for a Commission or Zoning Administrator Hearing Application (Variance, including Downtown Application), Certificate of Appropriateness, or a Building Permit Application and adjust fees based on the Controller's annual two-year average consumer price index (CPI).

I hereby certify that the foregoing Motion was ADOPTED by the Historic Preservation Commission on May 18, 2011.

Linda Avery  
Commission Secretary

AYES:

NAYS:

ABSENT:

ADOPTED:

Exhibit D: Proposed Fee Schedule  
 San Francisco Planning Department  
 Proposed FY2011/2012

eff. 8/30/2010

2.07%

Service Name	Code Section	Current Fee w/o appeal surchg	BoA appeal surchg	BoS appeal surchg	2.07% of CPI Increase	FY11/12 Proposed New Fee
Refund fee	350 (d)	\$ 427			\$ 8.84	\$ 436
<b>Discretionary Review Request</b>	<b>352 (d)</b>	<b>\$ 500</b>			N/A	<b>\$ 500</b>
<b>DR Permit Surcharges</b>	355	\$ 87			\$ 1.80	\$ 89
Mandatory Discretionary Review	352 (d)	\$ 3,438			\$ 71.17	\$ 3,509
Planning Code Text Amendment Request	352 (l)	\$ 14,090			\$ 291.66	\$ 14,382
Zoning Map Change (incl. interim controls)	352 (i)	\$ 7,052			\$ 145.98	\$ 7,198
Setback Change	352 (j)	\$ 2,851			\$ 59.02	\$ 2,910
Institutional Master Plan - Full	352 (e)(1)	\$ 12,259			\$ 253.76	\$ 12,513
Institutional Master Plan - Abbreviated	352 (e)(2)	\$ 2,244			\$ 46.45	\$ 2,290
General Plan Referral	352 (g)	\$ 3,310			\$ 68.52	\$ 3,379
General Plan Amendment + Related Plans	352 (f) & (h)	T/M				T/M
Conditional Use (including PUD)	352 (a)	Variable		\$ 111		see revised formulas
Section 321 (Annual Limit) Review	353 c	\$ 4,866	\$ 25		\$ 100.73	\$ 4,992
Variance (\$0- \$9,999)	352 (b)	\$ 817	\$ 25		\$ 16.91	\$ 859
Variance (\$10,000- \$19,999)	352 (b)	\$ 1,821	\$ 25		\$ 37.69	\$ 1,884
Variance (\$20,000 or more)	352 (b)	\$ 3,708	\$ 25		\$ 76.76	\$ 3,810
<b>CU appeals to BoS</b>	<b>352 (n)(1)</b>	<b>\$ 500</b>			N/A	<b>\$ 500</b>
Section 309 Review	352 c	Variable	\$ 25			see revised formulas
Application for 1 or more Exceptions under 309	353 (a)	\$ 1,815	\$ 25		\$ 37.57	\$ 1,878
Landmarks Designation - Applicant Initiated	356 (a)	\$ 262			\$ 5.42	\$ 267
Historic District Designation	356 (b)	\$ 1,047			\$ 21.67	\$ 1,069
Certificate of Appropriateness - \$0 to \$999	356 c	\$ 308	\$ 25		\$ 6.38	\$ 339
Certificate of Appropriateness - \$1,000 to \$9,999	356 c	\$ 1,227	\$ 25		\$ 25.40	\$ 1,277
Certificate of Appropriateness - \$10,000 or more	356 c	\$ 5,676	\$ 25		\$ 117.49	\$ 5,818
Determination of compatibility	356 (d)	Variable same as CU formulas				see revised formulas
Mills Act - Commercial	356 (e)	\$ 17,939			\$ 371.34	\$ 18,310
Mills Act - Residential	356 (e)	\$ 8,973			\$ 185.74	\$ 9,159
Article 11 - Dtn Preservation Review - Designation or Change of Boundary	353 (d)(1)	\$ 6,277			\$ 129.93	\$ 6,407
Article 11 - Dtn Preservation Review - Designation or Change of Boundary of a conservation district	353 (d)(2)	\$ 6,277			\$ 129.93	\$ 6,407
Article 11 - Alteration of Sig/Contrib Building	353 (d) (3 & 4)	\$ 8,287	\$ 25		\$ 171.54	\$ 8,484

File: \\Administration\Finance\Budget\FY1112\Fee Legislation Changes\Proposed\_11-12\_FeeChanges.xls, Tab: SEC 350 for

Ordinance

Date Printed: 5/4/2011, 9:56 AM

**Exhibit D: Proposed Fee Schedule  
San Francisco Planning Department  
Proposed FY2011/2012**

eff. 8/30/2010

2.07%

Service Name	Code Section	Current Fee w/o appeal surchg	BoA appeal surchg	BoS appeal surchg	2.07% of CPI Increase	FY11/12 Proposed New Fee
Article 11 - Demolition of Sig/Contr Building	353 (d)(5)	\$ 8,287	\$ 25		\$ 171.54	\$ 8,484
Statement of Eligibility	353 (d)(6)	\$ 1,470	\$ 25		\$ 30.43	\$ 1,525
Certificate of Transfer, Execution of	353 (d)(7)	\$ 424			\$ 8.78	\$ 433
TDR (notice of use)	353 (d)(8)	\$ 1,324			\$ 27.41	\$ 1,351
Monitoring Approval Secs, CU, Var, Sec 309 Proj	351 (e)(1)	\$ 1,130			\$ 23.39	\$ 1,153
<b>Sale of Documents</b>		<b>Varies</b>				
<b>Photocopies (per sheet)</b>	<b>Admin. 8.28</b>	<b>\$ 0.10</b>			N/A	<b>\$ 0.10</b>
Research Services & Other T/M requests	351 (d)	\$ 245			\$ 5.07	\$ 250
Subscription to PC agenda	351 (a)	\$ 37			\$ 0.77	\$ 38
Subscription to Landmarks Board agenda	351 (b)	\$ 37			\$ 0.77	\$ 38
Project Review - new construction ; 5 or fewer units	351 (f)	\$ 368			\$ 7.62	\$ 376
Project Review - all other projects	351 (f)	\$ 1,124			\$ 23.27	\$ 1,147
Dept facilitated Pre-Application Mtg	351 (f)	\$ 871			\$ 18.03	\$ 889
Dept(s) facilitated Pre-Application Mtg	351 (f)	\$ 1,627			\$ 33.68	\$ 1,661
BBN- Individual/Assessor's Lot	351 (g)(1)(A)	\$ 32			\$ 0.66	\$ 33
BBN- Individual/each additional Lot	351 (g)(1)(B)	\$ 13			\$ 0.27	\$ 13
BBN- Neigh. Org./ Assessor's Block	351 (g)(2)(A)	\$ 32			\$ 0.66	\$ 33
BBN- Neigh. Org./ each add'l Block	351 (g)(2)(B)	\$ 13			\$ 0.27	\$ 13
ZA letters of Conformance	351 (h)	\$ 122	\$ 25		\$ 2.53	\$ 150
ZA Written Determination	351 (h)	\$ 552	\$ 25		\$ 11.43	\$ 588
Transportation Review-Trans Study	357 (a)	\$ 21,317			\$ 441.26	\$ 21,758
<b>MTA Transportation Impact Analysis</b>	<b>357 (b)</b>	<b>\$ 4,100</b>			<b>\$ 84.87</b>	<b>\$ 4,185</b>
Temporary Use Permit Review	352 (k)	\$ 409			\$ 8.47	\$ 417
Service Station Conversion Determination	352 (m)	\$ 2,783			\$ 57.61	\$ 2,841
Reactivating application deemed inactive by ZA	351 (i)	\$ 232			\$ 4.80	\$ 237
Advertising Signs-Relocation Agreemt	358 (a)	\$ 1,224			\$ 25.34	\$ 1,249
Initial Sign Inventory processing	358 (b)	\$ 685			\$ 14.18	\$ 699
In-lieu application - Sign Inventory	358 (c)	\$ 391			\$ 8.09	\$ 399
Annual Inventory Maintenance	358 (d)	\$ 221			\$ 4.57	\$ 226
<b>Tourist Hotel Conversion</b>	<b>Admin Code 41F</b>	<b>\$ 600</b>			N/A	<b>\$ 600</b>
<b>Tourist Hotel Conversion - with Commission Hearing</b>	<b>Admin Code 41F</b>	<b>\$ 2,400</b>			N/A	<b>\$ 2,400</b>
Installment Payment Plan - Processing Fee	350 (b)	\$ 52			\$ 1.08	\$ 53

**Exhibit D: Proposed Fee Schedule  
San Francisco Planning Department  
Proposed FY2011/2012**

		eff. 8/30/2010			2.07%	
Service Name	Code Section	Current Fee w/o appeal surchg	BoA appeal surchg	BoS appeal surchg	2.07% of CPI Increase	FY11/12 Proposed New Fee
Preliminary Project Assessment	351 (j)	\$ 4,427			\$ 91.64	\$ 4,519
BP Appl (Existing, Change in Use, Alteration)	355 (a)	Variable				see revised formulas
BP Appl (New Construction)	355 (b)	Variable				see revised formulas
Windows/Roofs/Siding/Doors Replacemt approved OTC at PIC	355 (a)	1/2 permit fee				see revised formulas
BP-Solar Panels	355 (a)(7)	\$ 137	\$ 25		\$ 2.84	\$ 165
BP-Permit Revision back check fee	355 (a)(2)	\$ 204	\$ 25		\$ 4.22	\$ 233
Shadow Review - No Impact	355 (a)(3)	\$ 467	\$ 25		\$ 9.67	\$ 502
311 Public Notification - ReproMail	355 (a)(4)	\$ 48	\$ 25		\$ 0.99	\$ 74
312 Public Notification - ReproMail	355 (a)(5)	\$ 48	\$ 25		\$ 0.99	\$ 74
Demolition Applications	355 c	\$ 1,441	\$ 25		\$ 29.83	\$ 1,496
BP-Fire Police and Health Permit Fees	355 d	\$ 121			\$ 2.50	\$ 124
BP Referral - Entertainment	355 d	\$ 121			\$ 2.50	\$ 124
Signs - Permit Applications	355 (e)	\$ 127	\$ 25		\$ 2.63	\$ 155
BP-Solar (over the counter)	355 (a)(7)	\$ 137	\$ 25		\$ 2.84	\$ 165
Cat. Ex. Stamp Surcharge in Permit	Adm. Code 31.22 (a)(7)(a) and (a)(9)	\$ 285			\$ 5.90	\$ 291

SAN FRANCISCO PLANNING DEPARTMENT  
 PROPOSED FORMULAS FOR SUFFIX "C" (Conditional Use)  
 FORMULAS BELOW DO NOT INCLUDE (\$111) BOARD OF SUPERVISORS - APPEAL SURCHARGE

Factor 1.0207  
 Reason 2.07% CPI Increase

						FY10-11	FY11-12	FY11-12
						Current	Proposed	Proposed
						Flat Fee plus	Flat Fee plus	Flat + Variable
Construction Cost Range	Proposed Fee Schedule Formula	Current Variable Fee	Proposed Estimated Variable Fee	Current Flat Fee	Proposed Flat Fee	Variable Fee	Variable Fee	add-on BOS appeal surchg
\$ 0 (No Construction Cost excl. hours extension)	Flat Fee	\$ -	\$ -	1,800	\$ 1,837	\$ 1,800	\$ 1,837	\$ 1,948
\$ 0 (No Construction Cost incl. hours extension)	Flat Fee	\$ -	\$ -	1,286	\$ 1,313	\$ 1,286	\$ 1,313	\$ 1,424
\$ 1 - \$ 9,999	Flat Fee	\$ -	\$ -	1,286	\$ 1,313	\$ 1,286	\$ 1,313	\$ 1,424
\$ 10,000 - \$ 999,999	$=(999999-10000)*0.595\%$	\$ 5,772	\$ 5,890	1,286	\$ 1,313	\$ 7,058	\$ 7,203	\$ 7,314
\$ 1,000,000 - \$ 4,999,999	$=(4999999-1000000)*0.709\%$	\$ 27,800	\$ 28,360	7,171	\$ 7,319	\$ 34,971	\$ 35,679	\$ 35,790
\$ 5,000,000 - \$ 9,999,999	$=(9999999-5000000)*0.595\%$	\$ 29,150	\$ 29,750	35,537	\$ 36,273	\$ 64,687	\$ 66,023	\$ 66,134
\$ 10,000,000 - \$ 19,999,999	$=(19999999-10000000)*0.309\%$	\$ 30,300	\$ 30,900	65,257	\$ 66,608	\$ 95,557	\$ 97,508	\$ 97,619
\$ 20,000,000 and more		\$ -	\$ -	96,230	\$ 98,222	\$ 96,230	\$ 98,222	\$ 98,333

Key to Adjustment Formula:  $\text{total cost/current revenue} = \text{factor, current \% and flat fee} * \text{factor}$

SAN FRANCISCO PLANNING DEPARTMENT  
 PROPOSED FORMULAS FOR SUFFIX "X" (C-3 Downtown Controls and Coastal Zone Permit Applications)  
 FORMULAS BELOW DO NOT INCLUDE (\$25.00) BOARD OF APPEAL SURCHARGE

Factor 1.0207  
 Reason 2.07% CPI Increase

							FY10-11 Current Flat Fee plus Variable Fee	FY11-12 Proposed Flat Fee plus Variable Fee	FY11-12 Proposed Flat + Variable add-on BOA surcharge
Construction Cost Range	Proposed Fee Schedule Formula	Current Variable Fee	FY11-12 Proposed Estimated Variable Fee	Current Flat Fee	FY11-12 Proposed Flat Fee				
\$ 0 - \$ 9,999	Flat Fee	\$ -	\$ -	256	\$ 261	\$ 256	\$ 261	\$ 286	
\$ 10,000 - \$ 999,999	$=(999999-10000)*0.119\%$	\$ 1,158	\$ 1,178	\$ 261	\$ 266	\$ 1,419	\$ 1,445	\$ 1,470	
\$ 1,000,000 - \$ 4,999,999	$=(4999999-1000000)*0.142\%$	\$ 5,560	\$ 5,680	1,442	\$ 1,472	\$ 7,002	\$ 7,152	\$ 7,177	
\$ 5,000,000 - \$ 9,999,999	$=(9999999-5000000)*0.118\%$	\$ 5,800	\$ 5,900	7,130	\$ 7,278	\$ 12,930	\$ 13,178	\$ 13,203	
\$ 10,000,000 - \$ 19,999,999	$=(19999999-10000000)*0.062\%$	\$ 6,100	\$ 6,200	13,050	\$ 13,320	\$ 19,150	\$ 19,520	\$ 19,545	
\$ 20,000,000 and more		\$ -	\$ -	19,268	\$ 19,667	\$ 19,268	\$ 19,667	\$ 19,692	
Minor change of Condition Only	Flat Fee	\$ -	\$ -	955	\$ 975	\$ 955	\$ 975	\$ 1,000	

Key to Adjustment Formula: total cost/current revenue = factor, current % and flat fee \* factor



SAN FRANCISCO PLANNING DEPARTMENT - BUILDING PERMITS PLAN CHECK FEES  
 PROPOSED FORMULAS FOR Building Permits - New Construction  
**FORMULAS BELOW DO NOT INCLUDE (\$25.00) BOARD OF APPEAL SURCHARGE**

Factor 1.0207  
 Reason 2.07% CPI Increase

NOTE: CURRENT FLAT FEE INCLUDE DR SURCHARGES OF (\$87\*1.0207=\$89)

								DR \$87	
								CE \$285	FY11-12
								Current	Proposed
								Flat Fee plus	Flat Fee with
Construction Cost Range (DR Surcharge are included on all level for new construction)	Proposed Fee Schedule Formula	Current Flat Fee w/o DR & CE surcharges	FY 11/12 Proposed Base Flat Fee w/ no surchg added	Current Flat Fee with DR & CE surcharges	FY 11/12 Proposed Flat Fee with DR & CE Surchgs	Current Variable Fee	FY 11-12 Proposed Estimated Variable Fee	Variable Fee (w/ DR & CE surcharges)	Variable Fee (plus DR & CE surcharges)
Less than \$99,999	Flat Fee	\$ 1,849	\$ 1,887	\$ 2,221	2,267	N/A	N/A	\$ 2,221	\$ 2,267
\$100,000 to \$499,999	=(499,999-100,000)*2.497%	\$ 1,850	\$ 1,888	\$ 2,222	2,268	\$ 9,784	\$ 9,988	\$ 12,006	\$ 12,256
\$500,000 to \$999,999	=(999,999-500,000)*0.797%	\$ 11,823	\$ 12,068	\$ 12,195	12,448	\$ 3,905	\$ 3,985	\$ 16,100	\$ 16,433
\$1,000,000 to \$4,999,999	=(4,999,999-1,000,000)*0.306%	\$ 15,803	\$ 16,130	\$ 16,175	16,510	\$ 12,000	\$ 12,240	\$ 28,175	\$ 28,750
\$5,000,000 to \$99,999,999	=(99,999,999-5,000,000)*0.005%	\$ 28,049	\$ 28,630	\$ 28,421	29,010	\$ 4,750	\$ 4,750	\$ 33,171	\$ 33,760
\$100,000,000 or more	Flat Fee	\$ 33,118	\$ 33,804	\$ 33,490	34,184	\$ -	\$ -	\$ 33,490	\$ 34,184

Key to Adjustment Formula: total cost/current revenue = factor, current % and flat fee \* factor

# Proposed Fee Change Legislation

## FY2011-2012

May 2011

**Tom DiSanto , *Chief Administrative Officer***

**Keith DeMartini, *Finance Manager***



# Agenda

1. Annual Consumer Price Index (CPI) Adjustments
2. Correcting CPI Language for Administrative Code Section 31.22(12)(3) – CEQA Basic Fees
3. Place a 50% cap on initial fees based on estimated construction cost
4. Plan to comprehensively update all fees in FY11-12



# CPI Adjustments

## 2.07% CPI rate increase this year

- Every year, the Controller will annually adjust the fee amounts by the two-year average consumer price index (CPI) change for the San Francisco/San Jose Primary Metropolitan Statistical Area (PMSA).
- All fees in the Schedule of Application Fees will be adjusted, and the Planning and Administrative Code will be updated.



# CPI Language in Admin Code

## *Correcting CPI Language for Administrative Code*

### *Section 31.22(12)(3) – CEQA Basic Fees:*

“The Controller will annually adjust the fee amounts specified in Section 31.22(a)(1), (2), (5), (7), (8), (9), (10), ~~and~~ (11), and (12), Section 31.22(b)(1) and (6), Section 31.22 (c), Section 31.23(d) and Section 31.23.1(a) and (b) by the two-year average consumer price index (CPI) change for the San Francisco/San Jose PMSA.”



# 50% Cap on Initial Fees

## *Basis for Recommendation*

- For many small-scale construction projects, the implementation of the existing rule has sometimes resulted in the initial fee amount being *more than 50%* of the estimated construction cost.
- The high initial fee amount has deterred applicants from following through on a project.
- The change encourages applicants to follow through on these projects.
- Does not represent a significant revenue impact compared to the department's overall revenue budget.



# 50% Cap on Initial Fees

Place a cap on the initial fee amount at *no more than* 50% of the estimated construction cost of the project

1. Conditional Use Applications (*Planning Code, Section 352(a)*)
2. Commission and Variance Applications (*Planning Code, Section 352(b)*)
3. Downtown (C-3) District Review (Section 309) and Coastal Zone Permit (Section 330) Applications (*Planning Code, Section 352(c)*)
4. Certificate of Appropriateness (*Planning Code, Section 356(c)*)
5. Building Permit Applications (*Planning Code, Section 355*)
  - a. Change in Use or Alteration of an Existing Building
  - b. New Construction



# 50% Cap on Initial Fees

Summary of potential lost revenue and volume of applications and permits that would have been subject to the 50% limitation if the proposed change had been in place during the past three fiscal years.

Potential Lost Revenue & Volume Summary	FY08-09 Actual	FY09-10 Actual	FY10-11 Projection	3-Year Average
Planning Application Fees – Lost Revenue	\$2,410	\$1,325	\$6,271	\$3,335
Application Volume	5	5	7	6
DBI Permit Costs (Planning)	\$8,702	\$7,820	\$4,383	\$6,968
Permit Volume	63	49	29	47
<b>Total Potential Lost Revenue</b>	<b>\$11,112</b>	<b>\$9,145</b>	<b>\$10,653</b>	<b>\$10,303</b>



# Plan to Update Fee Schedule

- *Cost of Services Study*
  - Last conducted by PRM in May 2006
  - Comprehensive analysis of DBI and Planning services to understand cost of services
  - Assess appropriateness of current fees
  - Study took 1 year to complete and cost ~\$50K
  - *Resulted in cost study models for DBI and Planning, and baseline for fees*



# Plan to Update Fee Schedule

- The 50% cap on initial fees is the necessary first step before comprehensively reviewing all fees
  - This change will help inform analysis for other fee changes
- Many fees may need to be adjusted based on actual, more accurate cost of services over the past 5 years
- *In FY11-12, Planning will conduct a comprehensive analysis of cost of services provided compared to current fees in order to recommend fee changes*



# Questions

