



OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller
Todd Rydstrom
Deputy Controller

Mr. John Arntz
Department of Elections
City Hall 1 Dr. Carlton B. Goodlett Place Room 48
San Francisco, CA 94102-4689

August 10, 2020

RE: Proposition H – Neighborhood Commercial Districts and City Permitting

Dear Mr. Arntz,

Should the proposed initiative ordinance be approved by the voters, in my opinion, it would minimally to moderately increase the City's costs to review, approve, and inspect the small business uses targeted by this ordinance.

This ordinance would require coordination and streamlining of the City review of permits for establishment, modification, and/or operation of storefront commercial use in the City's designated neighborhood commercial districts and neighborhood commercial transit districts and for the review to be completed within 30 days. Fees for additional reviews required due to City errors would be waived. The ordinance also updates and expands zoning laws in order to support certain small businesses.

To the extent this legislation would require more intensive coordination and activity at the front-end of the permit review process for these specific uses, the City likely would incur minimal to moderate increased staffing needs in the permitting departments in order to develop the new coordinated process, to provide the required pre-inspections, and to implement the shorter review deadline on an ongoing basis. At the same time, the extent to which new processes successfully shorten the overall length of time for permitting, conditional use applications decrease, and public notification requirements are reduced, the City may save staffing time and costs. The potential loss of revenues from the waiver of subsequent fees due to City error would likely be minimal. If the initiative is successfully implemented, any increased business activity in the City's neighborhood commercial areas may contribute minimally to the receipt of higher business taxes in future years.

Sincerely,

Natasha Mihal

FOR Ben Rosenfield
Controller

Note: This analysis reflects our understanding of the proposal as of the date shown. At times further information is provided to us which may result in revisions being made to this analysis before the final Controller's statement appears in the Voter Information Pamphlet.