



August 9, 2019

Mayor London N. Breed
City Hall, Room 200
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Re: Executive Directive 17-02: Keeping up the Pace of Housing Production
Tracking Report: Quarter 2, 2019

Executive Directive 17-02, issued September 27, 2017, established target approval timeframes for housing projects and directed the Planning Department to develop a Process Improvements Plan to meet or exceed these timeframes. The Directive also called for regular reporting to your office on the Department's implementation of these process improvements and our progress in speeding approvals. This memo comprises the second of these regular updates, and includes the following:

- A. **Process Improvements Status Report:** A summary of progress on process improvement efforts as of the second quarter of 2019. This report shows that nearly all the improvements called for in the Department's plan have been implemented or are currently under development.
- B. **Project Review Timeframes Report:** A quantitative performance report on project review timeframes for projects filed since implementation of the consolidated review process in June 2018. This report demonstrates the Department is meeting required timeframes for most projects at each stage of review, and reflects continued improvement over the past six months.
- C. **Target Approval Timeframes Summary:** A summary of project status and compliance with Executive Directive approval timeframes for projects filed since implementation of the consolidated review process in June 2018. As of the second quarter of 2019, all projects subject to the new process have been approved within the required timeframes, and no delays have yet been reported.

I am pleased to share this progress and look forward to discussing these efforts with your office further. The Department welcomes any additional guidance on the structure and contents of future reports and on our overall process improvement efforts.

Sincerely,



John Rahaim
Planning Director

cc (via electronic mail):

Sean Elsbernd, Chief of Staff

Ken Rich, Director of Development

Andres Power, Policy Director

Jeff Buckley, Senior Policy Advisor

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A. Process Improvements Status Report

The Department issued a Process Improvements Plan on December 1, 2017, which included dozens of improvements in every aspect of the Department's operations. As of June 2019, nearly all the improvement measures included in the Plan have been implemented or are under development, and this report indicates continued progress since the last status report in January. The summary provided on the following pages lists the status of the most impactful of these measures, as well as several additional measures that have been undertaken by the Department since the Plan was published, including the following particularly noteworthy efforts:

- **Target Approval Dates for housing projects.** Beginning in February 2019, housing projects have been assigned a "Target Approval Date" and scheduled for an approval hearing 6 to 22 months in advance, depending on the applicable Executive Directive timeframe, once the project description has been deemed stable. Projects that are not ready for approval by the specific date are to be included in a regular Project Status Report to the Planning Commission indicating the reason for the delay, and projects will be rescheduled accordingly. As discussed in the following section, all approved projects that filed since June 2018 have met the target timeframes, and no delay reports have yet been issued.
- **Historic Resource Assessment (HRA).** Effective January 1, 2019 the Department launched a 12-month pilot program that allows prospective applicants to seek a preliminary determination of a property's historic resource classification before a full Project Application and plans are submitted. The purpose of the HRA is to provide greater certainty in the development process by conducting this review in advance; identify and allow for the incorporation of preservation considerations into a project's design; and provide a faster and less costly means to seek reclassification of properties that have been identified as potential resources.

As of June 2019, the Department has received a total of 42 HRA applications, and has issued response letters for 27 properties. The average response time was 61 days, just above the target timeframe of 60 days for the pilot program, and 60 percent of responses were issued within the timeframe. All but two of the HRAs (93 percent) have resulted in a "Category C – No Historic Resource Present" determination; one has resulted in a "Category A – Historic Resource Present" determination; and in only one case the Department was not able to determine the status based on the information provided and the property remained classified as "Category B – Unknown / Age Eligible." These results indicate that the new process is successfully providing early certainty to prospective applicants where the historic resource status is unknown.

- **Standard Environmental Conditions of Approval for selected CEQA topics.** The Department has initiated an effort to replace project-by-project evaluation of required mitigation measures with Standard Environmental Conditions of Approval for several environmental topics, including Air Quality, Biological Resources, Paleontology, Historic Resources, Noise, and Transportation. This will significantly improve the transparency and predictability of the environmental review process, and allow for more projects to be

evaluated for eligibility under existing CEQA exemptions, reducing typical review timeframes by several months. As of June 2019, Conditions are being drafted for the first sub-set of topic areas with the goal of presenting the first Conditions documents to the Planning Commission by the end of the year for approval.

- **Online submittal for development applications.** In May 2019, the Department's Administration and Division launched a major modernization effort to streamline and enhance the way that development applications and associated plans are submitted and reviewed. Online submittal and payment is now available for all types of development entitlement applications (e.g., Conditional Use Authorization, Variance, etc). This improvement is intended to expedite and reduce the cost of the application process, support consistent and timely application and plan set review, facilitate collaboration with project sponsors and more seamless interagency plan review, and improve the Department's reporting capabilities.
- **Online tools: Travel Demand Estimator, Business Zoning Check, Impact Fee Calculator.** This spring, the Department launched a number of web-based technology tools to expedite environmental and planning review, and enhance public information regarding the planning process. In February, Environmental Planning launched an online Travel Demand Estimator tool that combined multiple static database files into an interactive portal to generate project specific travel demand estimates for the purpose of transportation analysis, typically one of the most robust and time-intensive areas of environmental review. This tool provides a resource to both staff and environmental consultants to expedite review of project alternatives, as well as to the general public and researchers.

In April, Current Planning launched a Business Zoning Check tool on the Department website that allows prospective developers, homeowners, and small business owners to identify where in San Francisco certain projects may be permitted, and under what conditions. This tool offers a compliment to the Planning Information Center by providing basic site and zoning information to potential applicants before seeking detailed direction from Department staff.

Finally, in April the Administration Division launched an internal web-based tool to calculate development impact fees assessments for new projects and generate a detailed summary report. This will be a resource for staff to improve consistency and accuracy in calculating the City's many complex fee types, and to project applicants by providing greater transparency in the how the fees are applied.



Executive Directive: Keeping Up the Pace of Housing Production

Summary and Status of Planning Department Process Improvements Plan, July 2019

A Application and Intake Procedures

Indicates status update since last summary (Jan. 2019)

TASK	STATUS
A.1 Streamline Preliminary Project Assessment (PPA)	Effective April 2018
A.2 Consolidate environmental and project review via Project Application	Effective June 2018
A.3 Revise plan submittal and intake requirements	Effective June 2018
A.4 Uniform public notification procedures	
» Consistent mailing and poster requirements; Online Notice	Effective Jan. 2019 (BF 180423) ¹
» Apply uniform requirements to 311/312 building permit notices	TBD (not in BF 180423) ¹
» Notification materials redesign and streamlining	Initiated Summer 2019

B Routine Projects and Permits

TASK	STATUS
B.1 Enhance capacity for Over-the-Counter (OTC) approvals at PIC counter	
» Expand or add dedicated PIC shifts for: Preservation, Design, ADUs	Effective April 2018, ongoing
» Streamline CEQA Categorical Exemption process for OTC approvals	Effective January 2018
» Improve public information materials	Ongoing
B.2 Expand permits that can be approved same-day at PIC counter	
» Minor alterations to Historic structures	Effective Aug. 2018 (BF 180423) ¹
» Limited Rear Yard Additions, and related minor alterations	TBD (not in BF 180423) ¹
B.3 Accessory Dwelling Units and Unit Legalization approvals	
» Assign ADU core staff at key agencies (DBI, SFFD, Public Works, Planning, SFPUC)	Effective October 2018
» Offer combined interagency Pre-Application meetings	Effective September 2018
» Expedited plan review, preliminary approval OTC by appointment	Effective August 2018
» Provide interagency plan review and combined Plan Check Letter	Effective October 2018
» Provide parallel processing with DBI and Planning for ADU permits	Effective August 2018

C Environmental Planning, Historic Preservation, and Design Review

TASK	STATUS
Environmental Review	
C.1.1 Standard Conditions of Approval for selected CEQA topics	Fall 2019 / Spring 2020
C.1.2 Streamline review process for selected CEQA topics:	
» Two-tier transportation review: streamlined review for most projects	Effective August 2018
» Launch web-based travel demand tool	Effective February 2019
» Streamline wind and shadow review	TBD
C.1.3 Streamline use of technical studies and environmental consultants	Effective July 2018
C.1.4 Expand and streamline environmental review exemptions	
» Replace narrative "certificate" documents with checklists for Exemptions.	Effective January 2018

Historic Preservation Review

C.2.1	Revise Preservation review procedures:	
	» Historic Resource Assessment (HRA) for pre-project determination	Effective Jan. 2019 (pilot)
	» Revise Preservation Bulletin No. 16	TBD
C.2.2	Complete a citywide historic preservation survey	Ongoing
C.2.3	Reassess Historic Preservation staffing at PIC counter:	
	» Enhanced service hours by Preservation specialists	Effective April 2018
	» Revise PIC review procedures for non-Preservation specialists	Summer 2019
Design Review		
C.3.1	Identify Design Guidelines to be codified or standardized	Initiate Spring 2020
C.3.2	Enhance staffing of Design Advisory teams, add Design staff at PIC	Effective June 2018
C.3.3	Adopt Urban Design Guidelines (UDGs) and develop UDGs matrix	Effective May 2018
C.3.4	Streamline Residential Design Guidelines (RDGs) with RDGs matrix	Effective June 2018
C.3.5	Update Residential Design Guidelines (RDGs) ,develop an RDGs matrix	Effective Aug. 2018

D Planning Code and Commission Policies

TASK	STATUS	
D.1	Advanced Planning Commission scheduling for housing projects	Effective February 2019
D.2	Streamline staffing and timeframe for Discretionary Review (DR) cases	Effective June 2018
D.3	Reduce requirements for Conditional Use and other entitlement hearings	
	» Eliminate Commission hearings for 100% Affordable Housing Bonus	Effective Aug. 2018 (BF 180423) ¹
	» Replace CU hearing for HOME-SF with a design review hearing	Effective Mar. 2019 (BF 180456) ²
	» Identify additional approvals to be consolidated or eliminated	TBD
D.4.1	Update the Planning Code for consistent definitions and procedures	Ongoing
D.4.2	Ongoing Planning Code reorganization	
	» Article 8 (Chinatown Districts)	Pending BF 190594
	» Article 8 (Mixed Use Districts)	Initiate Fall 2019
D.5	Planning Code revisions to streamline housing review	
	» Eliminate "Costa-Hawkins letters" for Inclusionary projects	Effective Mar. 2018 (BF 171193) ³
	» Reduce the need for Variances for large downtown projects	Effective Aug. 2018 (BF 180423) ¹
	» Expand administrative approval for 100% Affordable projects	Effective Aug. 2018 (BF 180423) ¹
	» Expand approval options for ADUs in buildable area	Effective Sept. 2018 (BF 180268) ⁴
	» Provide administrative approval of "no waiver" ADUs	Effective June 2019 (BF 181156) ⁵

E Administration and Technology

TASK	STATUS	
E.1.1	Online submittal and payment for all development application types	Effective May 2019
E.1.2	Electronic Document Review (EDR) for Planning review	Initiated Feb. 2019
E.1.3	Electronic Document Management System (EDMS)	Effective Summer 2017
E.1.4	Develop a web-based Impact Fee Calculator for staff	Launch in Spring 2019
E.1.5	In-House processing of public notification mailing lists	Effective April 2018
E.1.6	Property Information Map (PIM) enhancements	Redesigned Dec. 2018
E.1.7	Develop business zoning check online tool	Effective April 2019

NOTES:

(1) BF 180423: Mayor's Process Improvements Ordinance (Mayor Breed), approved July 2018
(2) BF 180456: HOME-SF and 100% Affordable Housing Bonus Program (Tang, Safai), approved August 2018
(3) BF 171193: Inclusionary Affordable Housing Program (Peskin, Kim), approved February 2018
(4) BF 180268: Accessory Dwelling Units (Tang, Kim, Brown), approved August 2018
(5) BF 181156: Accessory Dwelling Units in New Construction (Safai), introduced November 2018

B. Project Review Timeframes Report

In June 2018, the Department implemented a consolidated environmental and project review process under a single Project Application. This represents the foundation of the Department's process improvements strategy by collecting all necessary information for project review at once and enhancing the Department's ability to enforce submittal standards, issue consolidated Plan Check Letters in a timely manner, and ensure housing projects are prioritized for approval within target timeframes. The Department also streamlined the Preliminary Project Assessment (PPA) process to provide clearer direction to applicants, and reduced the target timeframe for PPAs to 60 days, down from 90 days. Taken together, these changes provide a faster, clearer, and more predictable review path from preliminary design to final approval.

- **Preliminary Project Assessment (PPA):** The PPA provides initial feedback from the Planning Department regarding Planning Code compliance, entitlement options, environmental review, and design. PPAs must be submitted for all projects greater than 10 units or 10,000 square feet of non-residential space before any application for development or environmental review can be initiated.
- **Notice of Incomplete Application (NIA):** Project Applications are reviewed for basic completeness (including required documents, plans, and supplemental applications) within 30 days. Projects will either be deemed Accepted or provided with a NIA letter with instructions on how to provide a complete application within this timeframe.
- **Plan Check Letter (PCL):** Project Applications will be reviewed within 90 days of being deemed Accepted, and a letter will be issued documenting all Planning Code, environmental review, and design issues to be resolved in order to achieve a compliant project. Once satisfactory revisions and missing information has been provided, the project will be deemed to have a "Stable Project Description."
- **Target Approval Date:** Once the Project Description is stable, the project will be scheduled on the Target Hearing Calendar for a date that is within the applicable Executive Directive approval timeframe, and all necessary environmental and entitlement review will be completed within this timeframe.

More detail is provided in the attached Project Intake, Environmental Review, and Approval Process flowchart.

The below table reports the Department’s performance against the review timeframes outlined above for all Project Applications received since June 4, 2018 when the consolidated review process came into effect (or after April 2, 2018 for PPAs).

Project Review Timeframes: Project Applications Filed, June 2018 – June 2019

Review Milestones	Performance Target	Number of Projects (total units)	Average Performance	Percent Meeting Target
Preliminary Project Application (PPA)	Issue PPA in 60 days	38 (3,931)	62 days	63% of projects
Notice of Incomplete Application (NIA)	Issue first NIA, or mark Accepted, in 30 days	68 (2,915)	18 days	90% of projects
Plan Check Letter (PCL)	Issue first PCL in 90 days	34 (1,408)	79 days	53% of projects ¹

NOTE: Does not include Accessory Dwelling Unit (ADU) or Unit Legalization projects. Per the Mayor’s August 2018 Executive Directive on ADUs, these projects are subject to a separate expedited interagency review process.

In the first year of implementation the Department has, on average, exceeded or nearly met the performance target for each of these project review milestones. Nearly two-thirds of projects are receiving PPA feedback within 60 days, and 90 percent are either accepted or issued an NIA within 30 days after an application is submitted. More than half of all projects are receiving a consolidated PCL letter within 90 days.

These results show improvement from the last report issued in January 2019, when the average response time for PPAs was slightly higher at 63 days, and less than 80 percent of NIA letters and fewer than half of projects were receiving a PCL letter within the target timeframe.

Department staff have committed to the new consolidated review process, and are working collaboratively across divisions to identify and resolve implementation issues on a daily basis. The Department anticipates that the various process improvement efforts that have been adopted or are underway will significantly improve performance on these review milestones, and that the response time and quality of submittals from applicants will continue to improve as these new procedures and expectations become more familiar within the development community.

¹Reflects the number of PCL letters issued within time, out of all letters that have been issued as well as all projects that have been accepted for more than 90 days and where no letter has been issued. By comparison, the “Average Performance” days simply reflects the average response time for letters that have been issued.

C. Target Approval Timeframes Summary

This section summarizes the status, as of June 2019, of residential projects that have been filed since the consolidated review process came into effect in June 2018. Compliance with the Executive Directive timeframes is noted below this summary.

Project Status	Projects	% of Total	Units	% of Total
Submitted, pending review	2	3%	13	<1%
Accepted or NIA issued, pending Plan Check Letter	27	42%	905	40%
Plan Check Letter issued, pending Stable Description	21	32%	556	24%
Project Description Stable, pending approval	4	6%	150	6%
Approved	11	17%	695	30%
Total	65		2,318	

Of the approved projects that filed under the consolidated review process, **all 11 projects (comprising 695 units) have been approved within the Executive Directive timeframes.** Accordingly, the Department has not yet had to report any delays to the Planning Commission. All four of the stable projects that have not yet been approved have been assigned Target Approval Dates in 2020, and the Department will issue a Project Status Report to the Planning Commission for any of these projects that are delayed.

Among the 21 projects where a Plan Check Letter has been issued to the project applicant, but the project has not yet been deemed Stable, the average time elapsed since the letter was issued is just under seven months. This means that the Department has given consolidated comments to the applicant regarding Planning Code conformity, environmental review, design review, and outstanding required information but has not yet received a sufficient response to proceed with review, or the project has been modified to an extent that requires further review and revised direction.

The remaining projects are currently under review by Planning Department staff; the Department continues to make every effort to provide prompt and comprehensive guidance to these projects, as outlined above, and will provide an updated status in future reports.

Project Intake, Environmental Review & Approval Process

This flowchart provides an overview of Planning Department's project review and approval procedures for projects with two or more housing units.

LEGEND

- Process Milestone
- CP Current Planning
- EP Environmental Planning
- PS Project Sponsor
- EIR - environmental impact report
- NIA - Notice of Incomplete Application
- PD - project description
- PPA - preliminary project assessment
- SOW - scope of work
- SDAT - streets design advisory team
- RDAT - residential design advisory team
- UDAT - urban design advisory team

