



SAN FRANCISCO PLANNING DEPARTMENT

MEMO

DATE: November 9, 2017
TO: Honorable Members of the Planning Commission
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RE: **Mayor's Executive Directive on Housing**

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On September 27, 2017 Mayor Edwin M. Lee issued Executive Directive 17-02 to establish approval deadlines and accountability measures related to entitlement and permit approvals for new housing developments. The Directive also required that the Planning Department submit a plan for the Mayor's consideration by December 1, 2017 outlining process improvement measures that will be necessary to accomplish the requirements of the Directive.

The Department seeks to craft a plan that will enhance the City's ability to carry out its essential regulatory and development review functions, while pursuing every opportunity to streamline the approval and construction of desperately needed housing in San Francisco. To this end, Planning Department staff will provide an informational presentation to the Planning Commission on November 16, 2017 outlining the Department's approach in developing this plan, and to seek guidance from Commissioners on key areas of Department and Commission practices and policies in support of this Directive.

This presentation will further outline the Department's proposed path forward for implementing and monitoring the components of the plan over the coming months. This is thought to include, at a minimum, quarterly progress reports to the Mayor's Office of Economic and Workforce Development and to the Planning Commission, as well as public hearings and additional stakeholder engagement regarding specific components of the plan.

The full Executive Directive is attached to this memorandum for your reference. We look forward to working with the Commission, the Board of Supervisors and Mayor Lee to shaping a balanced plan that addresses the imperatives of the current housing crisis while embracing San Francisco's unique character and culture of civic engagement.

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Executive Directive 17-02

Wednesday, September 27, 2017

Keeping up the Pace of Housing Production

The lack of housing affects everyone in our City. Years of failing to build homes has resulted in families and long-term residents leaving San Francisco in search of more affordable places to live.

We have thrown up obstacle after obstacle to the creation of new housing in our City and failed to meet the demands of our growing workforce. As we recovered from the Great Recession, we added more than 140,000 jobs to San Francisco, but only approved 15,000 housing units.

In recent years, City departments have increased their efforts and worked together to approve housing in a more efficient manner. But we need to do more.

The general livability of our City is greatly enhanced when teachers, first responders, artists, restaurant workers and all others can build their homes and communities close to their workplaces. We must continue to prioritize the production of housing in a smart, thoughtful manner that adds homes for residents of all economic levels.

For the past 30 years, San Francisco created an average of roughly 1,900 units annually. In 2014, we challenged ourselves to produce 30,000 new and rehabilitated units by 2020. Since then, we have created more than 17,000 units, of which 35 percent are affordable. During these past three years, we have increased our annual output to 5,000 new and rehabilitated homes, so we are on track to meet our 30,000 goal. But we must always look to the future. The mistakes of the past should not be repeated.

We must commit to delivering at least 5,000 units of new or rehabilitated housing every year for the foreseeable future. We will continue to focus on making sure that as many as possible of these new units are affordable to low, moderate and middle income San Franciscans.

The time for excuses, delays and bureaucracy is over. We must work on reducing entitlement times and ensure that building permits, subdivision maps and other post-entitlement permits are issued swiftly. City departments need to continue working effectively together to reduce approval times at all stages of the building process. Collectively, we can reduce project approval timelines by nearly half.

We will continue to foster community input on our housing plans. This Executive Directive is not intended to constrain the ability of the public to formally comment on projects.

While this Directive applies to City staff, we need to continue to rely on our partnership with nonprofit and for-profit developers to speed up housing production in the City. I call upon developers to work with City staff to create expedited schedules for housing development approvals and to make sure that project sponsors meet deadlines for submission of applications and materials, so that together we can build more housing faster.

Structure of this Executive Directive:

This Directive is structured to result in faster approvals for housing development projects at both the **entitlement stage** and the **post-entitlement permitting stage**. It includes **approval deadlines** for entitlement and permitting of housing development projects to ensure that enough units are approved each year; **accountability measures** to ensure deadlines are being observed; key **process improvements** which City departments will detail in forthcoming plans; and **staffing and resources** measures which will help departments meet the requirements of this Directive.

Directives:

Through this Executive Directive, I hereby Direct that:

Approval Deadlines:

1. All City Departments, including the Office of Economic and Workforce Development, Mayor’s Office of Housing and Community Development, Planning Department, Office of Community Investment and Infrastructure, Department of Building Inspection, Department of Public Works, Port of San Francisco, Public Utilities Commission, Mayor’s Office on Disability, Fire Department and Municipal Transportation Agency, shall work together to achieve the following scheduling milestones related to housing approvals and permitting.
1. **a.** Render an entitlement decision for housing projects according to the following timeframes, based on the type of environmental determination required under the California Environmental Quality Act (CEQA):
 - a. No CEQA review: no more than **6** months;
 - b. Categorical exemption: no more than **9** months;
 - c. Negative declaration, mitigated negative declaration, or community plan evaluation: no more than **12** months;
 - d. Environmental impact report (EIR): no more than **18** months;
 - e. Complex EIR: no more than **22** months.

For the purposes of this Directive:

“Housing Project” means any project which: 1) includes at least 250 net new units; or 2) includes two or more net new units and is exclusively residential, excepting ancillary ground floor uses.

“Entitlement decision” means final action by the Planning Commission, or in cases where no Commission action is required, approval or disapproval of the Site Permit by the Planning Department.

“Complex EIR” means an EIR that may require a longer preparation time, due to projects that are multi-phased, require a large infrastructure investment, require a larger than typical number of technical studies, or that include both programmatic and project-level review.

The timelines identified above shall commence upon the earliest possible date that the Planning Department can reasonably determine that the project description is sufficiently stable to begin environmental review, but in no case later than the date of receipt of the project sponsor’s complete response to the first Notice of Planning Department Requirements (NOPDR) issued by the Planning Department.

b. After entitlement, issue all permits and other post-entitlement approvals necessary for commencement of construction for a phase or sub-phase of large-scale housing development projects no more than **one year** after submission of a complete phase application; This one-year City review should include no more than **three months** for phase approvals and no more than **nine months** for final City approvals after submission of any sub-phase permit applications.

c. Successful housing development requires a partnership between the City and a developer. Staff time and resources, along with the accelerated approval timeframes provided in this Directive should be provided only to those projects whose sponsors proceed in a timely and responsive fashion.

d. In concert with the above directives, I call upon the President of the Planning Commission to work with other Commissioners and interested stakeholders to develop revised policies and procedures designed to: 1) hear and

decide development applications with a minimum of continuances and delays; 2) calendar proposed housing development projects as quickly as possible.

Accountability:

2. The Director of Planning shall work with the Planning Commission to calendar each housing project to be heard on a date no later than **6, 9, 12, 18 or 22** months (corresponding to the timeframes laid out in #1.a above) after the acceptance by the Department of the first development application. If projects are not ready for an entitlement decision at the time of the hearing, staff and the project sponsor shall present to the Commission in the hearing the reasons why it cannot happen that day, and the Commission shall continue the matter to the earliest possible alternate date for decision.
3. By November 1, 2017, the heads of each Department named in #1 above shall report to the Mayor their designation of a senior manager, reporting directly to the department head, who will be responsible for coordinating and streamlining the Department's efforts to approve and permit new housing development. That manager will be responsible for ensuring that housing approval functions are adequately staffed and for taking full advantage of developer-reimbursable opportunities to add staff where needed for expediting housing approvals.
4. Each department named in #1 above shall submit a quarterly report to the Office of Economic and Workforce Development (OEWD), detailing progress on all aspects of housing approvals and permitting, including, but not limited to compliance with milestones outlined in #1 above. OEWD shall create a consolidated report to be reviewed by the Mayor and made available to the public.

Process Improvements – project entitlements:

By December 1, 2017, the Planning Department, working in collaboration with the presidents of the Planning and Historic Preservation Commissions, shall develop and submit a plan for the Mayor's consideration, outlining specific and effective measures necessary to accomplish the development approval timeframes laid out in #1.a in this Directive, including but not limited to the improvements listed below. The plan shall include draft legislation for introduction at the Board of Supervisors where necessary.

- a. Increase certainty and limit process hurdles in order to more efficiently and quickly approve housing projects.
- b. Delegate duties and functions from the Commissions to department staff.
- c. Consolidate redundant hearings among various decision-making bodies.
- d. Streamline and shorten the process required to complete and publish environmental documents for housing development projects under CEQA.
- e. Consolidate and modernize all notification requirements affecting housing development.
- f. Consolidate and streamline required staff reports and approval documents.

5. By December 1, 2017 the directors of the Planning Department and the Department of Building Inspection shall prepare a plan which will allow and encourage parallel processing of housing development applications within both Departments to the greatest extent possible.

Process Improvements – post entitlement permitting:

6. By January 1, 2018, Public Works, Planning Department, the Municipal Transportation Agency, Public Utilities Commission, Fire Department, Recreation and Park Department, Mayor’s Office on Disability and the Department of Building Inspection shall each develop and submit a plan for the Mayor’s consideration, outlining specific and effective measures necessary to accomplish the development approval timeframes laid out in #1b in this Directive.

These departments shall then work collaboratively together, with facilitation from OEWD, to develop a consolidated, interdepartmental plan which will be presented for the Mayor’s consideration on or before April 1, 2018. This plan shall build on internal department assessments and leverage additional interdepartmental coordination to streamline processes in order to comply with milestones outlined in #1b. The single, resulting interdepartmental streamlining plan shall utilize City-managed schedules and standardization to decrease the time between project phase or sub-phase commencement and the City’s final pre-construction action or approval, while maintaining all safety, health and quality standards. This plan shall include, but is not limited to, the improvements listed below:

a.Streamline department review process, including combining duplicative applications and establishing parallel processing opportunities.

b.Decrease phase application review time to not exceed three months:

i.Planning Department, in collaboration with OEWD, shall create and issue schedules to meet this deadline.

ii.Schedules may only be substantially modified over time with written permission from the Planning Director.

c.Decrease sub-phase review time: City will issue project schedules by phase and/or sub-phase, via the Public Works Infrastructure Taskforce, that do not exceed nine months in total duration, not including phase approval. Those schedules shall:

i.Be issued at Phase approval or within 30 days of the first sub-phase permit application.

ii.Only be modified over time with permission from the Director of Public Works.

d.Establish City processes and standards around public improvements, including public improvement agreements, City acceptance of privately-constructed infrastructure, encroachment agreements and submittal reviews, as well as establish City standards for common issues like paving materials, and other infrastructure.

This Executive Directive will take effect immediately and will remain in place until rescinded by future written communication.

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