



City & County of San Francisco

Office of the City Administrator

Permitting

Spanning across 17 City departments, San Francisco permitting processes are complex and time-consuming, ultimately contributing to delays and stagnation in housing and jobs growth in the city. Modernization and reform of City services is needed to simplify these processes.

Permitting Overview

Housing: Permitting for housing development is a years-long endeavor. The average time for a development to be permitted is 3.8 years and the average total development time is 6.3 years. But obtaining the correct permits can take up to 14 years.

There is no difference in the permitting time by size of the project; projects with 10-50 units take about the same amount of time to get a permit as those adding over 100 units.¹ By adding time to the development process, permitting contributes to the city's rising construction costs.

The average construction cost in San Francisco is \$330 per square foot, the second highest in the world.² High construction costs deter housing development because they make it hard for projects to break even. The state's Regional Housing Needs Allocation shows a need for development of 23,500 units of new housing per year in the Bay Area, and SPUR predicts a need of 45,000 per year to fill the gap in housing availability.³ Complex permitting processes contribute to the City's inability to meet this need.

Business: Business permitting is also an impediment to growth. For example, according to a Controller's Office analysis, the average new restaurant opened in the city required 86 days to open and 26 hours of permitting work.⁴ The complexity of the processes and lack of general information make City permitting processes overwhelming for members of the public and small businesses. Because of this, some turn to hiring professionals to facilitate the permitting process.⁵

Proposition H, passed in November 2020, will ease some permitting requirements for small businesses. Proposition H requires a 30-day review and inspection process for businesses uses that are already permitted within Neighborhood Commercial Districts (NCDs) and Neighborhood Commercial Transit Districts (NCTs). It also expands permitted uses in these districts to arts activities and social service or philanthropic facilities, among other additional allowed uses.⁶

Impact of COVID-19

During the pandemic, the City launched a new Shared Spaces permitting program to simplify and expedite the permitting process for businesses to use sidewalk and street areas. So far, 1,400 out of 2,098 permit applications have been approved.⁷ Permits for sidewalk projects are approved in 72 hours and permits for street projects are approved in 10 business days.⁸ This project shows how creativity and flexibility in the permitting process can have significant benefits for San Francisco businesses.

City Services

Total number of services offered: 127

Total number of departments offering services: 17

Subcategory	Number of Services	Number of Departments	Number of Services Disrupted
Building & Construction	26	9	3
Do Business in SF	24	6	6
Events	20	8	15
Legal & Administration	29	10	4
Public Benefit & Safety	28	6	6
Total	127	17	34

	Number	Percent
Services digitally accessible	18	14%
Services paused due to COVID	34	27%
Services targeted to vulnerable populations	3	2%

Subcategory	Paper	PDF	Digitally Available
Building & Construction	2	13	4
Do Business in SF	3	2	1
Events	2	5	2
Legal & Administration	2	6	7
Public Benefit & Safety		8	4
Total	9	34	18

¹ "Measuring the Housing Permitting Process in San Francisco." Brian Goggin. Turner Center for Housing Innovation, July 24, 2018. <https://turnercenter.berkeley.edu/blog/measuring-the-housing-permitting-process-in-san-francisco>.

² "It All Adds Up: The Growing Costs That Prevent New Housing in California." Andy Bosselman. SPUR, May 9, 2018. <https://www.spur.org/news/2018-05-09/it-all-adds-growing-costs-prevent-new-housing-california>.

³ "What It Will Really Take to Create an Affordable Bay Area." Sarah Karlinky. SPUR, March 2020. https://www.spur.org/sites/default/files/publications_pdfs/what_it_will_really_take_to_create_an_affordable_bay_area.pdf.

⁴ "Improving San Francisco's restaurant permitting process." San Francisco Office of the Controller, September 18, 2015. <https://sfcontroller.org/sites/default/files/Documents/Auditing/SFBP%20Recommendations%20FINAL.pdf>.

⁵ "Proposal for new Permit Center service known for now as Construction Consulting." San Francisco Office of the Controller, July 17, 2019. https://sfcontroller.org/sites/default/files/Documents/Auditing/Construct.Consulting%20Memo_FINAL.pdf.

⁶ "Prop H Small Business Initiative." SPUR, 2020. <https://www.spur.org/voter-guide/san-francisco-2020-11/prop-h-small-business-initiative>.

⁷ Shared Spaces Tracker. <https://sfgov.maps.arcgis.com/apps/opsdashboard/index.html#/b1e37820230a4017ae53d645a96c774b>.

⁸ "Shared Spaces Program Update." San Francisco Economic Recovery Task Force, September 23, 2020. https://sf.gov/sites/default/files/2020-10/Shared%20Spaces%2020200923_0.pdf.