Examining Local Law, Policy, and Planning Practice on Development in San Francisco Using CALES

Report in Support of San Francisco Policy and Practice Review

Written by:

Moira O'Neill (PI)
Vivek Adury
Eric Biber (Co-PI)
Deborah Le-An Tan
Laura Tepper
Ivy Wang

Prepared for the California Department of Housing and Community Development in partial fulfillment of contract #22-30-002.

Disclaimer: The statements and conclusions in this Report are those of the contractor and not necessarily those of the California Department of Housing and Community Development.

Acknowledgments:

The following students supported building the entitlement dataset and related data cleaning and analysis for this research during the 2022-2023 academic year: Claire Ching, Riya Chopra, Ryan Denker, Olivia Anne Drew Grimes, Rachel Kinzer, Riley Layman, Lily Roberts, Jackson Smith, and Jenny Tsing. Also, Tim Dodson supported data collection related to determining project intake and notification dates.

Table of Contents

Executive Summary

Background: Why Study San Francisco?

San Francisco is the anchor city in the Association of Bay Area Governments (ABAG) region, with one of the highest Regional Housing Needs Allocations (RHNA) statewide. Complex processes that lead to delayed housing development approvals leave open questions about whether San Francisco's local legal regime will allow the city to meet this housing production target.

In 2016, authors O'Neill, Biber, and students launched the Comprehensive Assessment of Land Use Entitlements Study (CALES) at the University of California, Berkeley, to understand how cities, including San Francisco, design and apply local and state law to proposed developments of five or more units approved in 2014 - 2017. In an earlier report,[1] we found San Francisco's local regulatory regime comparatively prohibitive, risking exclusionary zoning despite explicit policies to promote inclusion and fair housing goals through inclusionary housing programs, rent stabilization, and tenant protections. Among the 28 jurisdictions we studied, San Francisco was among the cities with more land zoned for dense housing, although that zoning was not equitably distributed citywide. But most notable, among all our study cities, San Francisco was an *extreme* outlier in process requirements and timeframes to approval. The city had a median timeframe to entitlement of over two years for code compliant multi-family housing that benefited from streamlined environmental review.

San Francisco's median timeframe was not only longer than its neighbors, it was longer than timeframes in neighboring cities with purportedly more difficult local law. Berkeley, for example, has complex rules that require a use permit[2] for all new housing development, and yet the median timeframe to entitlement was four months shorter for comparable multi-family housing. Moreover, once we parsed out our data to explore how environmental review streamlining might impact timelines, we found that Berkeley's median timeframe dropped to less than 10 months for apartment buildings, whereas San Francisco's remained at 24 months for the *same type of housing*. San Francisco exemplified how cities can write and implement procedural rules in a manner that creates uncertainty of approval. Uncertainty creates risk, and risk influences what developers will propose and build, as well as which developers will consider developing within a city. During our research, affordable developers who worked in neighboring cities explained they could not work within San Francisco because entitlement was too uncertain and difficult.

California's legislature has passed nearly 100 laws relevant to housing policy since 2016.[3] These laws seek to spur housing production across all income levels and promote equitable housing outcomes—namely increased housing production in high opportunity locations. Many important changes to state housing law target subjectivity in discretionary processes, like

---

[1] We refer here to our Report to the California Air Resources Board in fulfillment of Contract #3900-19STC005. MOIRA O'NEILL-HUTSON ET AL., EXAMINING ENTITLEMENT IN CALIFORNIA TO INFORM POLICY AND PROCESS: ADVANCING SOCIAL EQUITY IN HOUSING DEVELOPMENT PATTERNS (2022). We also cross reference prior publications.

[2] Project proponents apply for a use permit, often referred to as a conditional use permit, when local rules allow for certain uses subject to approval—but not as a matter of right under the local zoning.

[3] *See* Ben Metcalf, Managing Dir., UC Berkeley, Terner Ctr. for Hous. Innovation, Presentation at the California Joint Oversight Hearing with Assembly Housing and Community Development Committee: Housing Production: Recent Legislative Actions and Outcomes (Feb. 28, 2023), https://shou.senate.ca.gov/node/21.

planning review,[4] and work towards quickening approval processes, particularly for multi-family housing. New law and policy aim to accelerate housing production in high opportunity areas, inviting important questions about how well San Francisco has implemented these laws and whether they effectuate production, affordability, and equity. To answer these questions, we expanded and extended CALES to explore San Francisco's local land use regulation in more detail and identify specific roadblocks to dense multi-family housing. This report details our methods, presents findings, and discusses their implications for the California Department of Housing and Community Development's (HCD) Policy and Practice Review.

Research Questions and Approach

HCD asked (1) whether San Francisco is fully implementing key state housing laws, such as the Housing Accountability Act, the Housing Crisis Act, the Permit Streamlining Act, Senate Bill 35 (SB 35), and State Density Bonus Law; (2) whether local implementation is allowing these state laws to achieve their intended effect of promoting housing production and affordability; (3) what causes delay in the entitlement process and how the city's discretionary review process impacts overall project timelines and the housing approvals pipeline.

To answer these questions, we used a spiraling mixed methods research design that joins legal research and qualitative, quantitative, and spatial analyses to understand San Francisco's local regulatory environment. This design helped our study overcome some of the limitations of each method and allowed us to adapt our research approach to the specific needs of studying San Francisco.

HCD's questions one and two require us to interpret our data and provide findings based on our interpretation of what state law requires of localities.[5] For example, we interpret the Permit Streamlining Act, Housing Accountability Act, and Housing Crisis Act as applicable to all multi-family housing approvals in San Francisco that do not require a local legislative action. We define "full implementation" of these state laws to mean that San Francisco both complies with state law, but also that local rules or planning practices do not effectively circumvent the purpose of the limitations imposed on cities by state law.

We built a unique and highly detailed dataset of 140 planning entitlements[6] of five or more units issued in 2014 - 2017. We added 144 observations of entitlements and SB 35 approvals issued

[4] For a discussion of what characterizes a discretionary action, see Friends of Westwood, Inc. v. City of Los Angeles, 181 Cal. App. 3d 259, 269-74 (1987). When city employees can set standards and conditions for many aspects of a proposed building, the approval process is discretionary. For a definition of a ministerial process in California law, see Prentiss v. City of S. Pasadena, 15 Cal. App. 4th 85, 90, 18 Cal. Rptr. 2d 641 (1993) (citing CAL. CODE REGS., tit.14, § 15268(b)(1) (2023)("'Ministerial' describes a governmental decision involving little or no personal judgment by the public official as to the wisdom or manner of carrying out the project. The public official merely applies the law to the facts as presented but uses no special discretion or judgment in reaching a decision. A ministerial decision involves only the use of fixed standards or objective measurements, and the public official cannot use personal, subjective judgment in deciding whether or how the project should be carried out.")). Importantly, ministerial decisions are exempt from environmental review under the California Environmental Quality Act.

[5] We discuss this in the report; our analysis depends on some assumptions about what "full" implementation of state law would entail.

[6] We refer to "entitlement" as a process and "entitlement" as an observation of that process in the singular and plural throughout this report. Entitlement refers to the type of housing approval that a project proponent secures from the Planning Department, Planning Commission, or Board of Supervisors when

in 2018 - 2021 to this dataset.[7] Our approvals dataset captured detail on each application and approval step under local rules and state law (like the California Environmental Quality Act, or CEQA) and important project characteristics (like affordability, building size, and location). We gathered the detail for our dataset from source documents (application documents, planning staff reports, and motion and resolution documents) wherever possible. We analyzed our data using statistics and mapping.

We conducted in-depth interviews and used participant observation and primary document analysis to understand why San Francisco's approval process operates the way that it does. We analyzed more than 35 hours of confidential in-depth research interviews with 24 participants representing affordable and market-rate developers, former and current city personnel and staff that work on housing development, land use attorneys, and housing advocates.[8] We observed and analyzed notes and transcripts from another 33 meetings that HCD convened with approximately 146 stakeholders. Most were approximately one hour long. Twenty-five of the HCD-led meetings were very small, with one to three participants, in addition to O'Neill and one representative from HCD. The small meetings allowed participants to offer deep insights, much like research interviews. In all, we analyzed notes and transcripts from ~68 hours of research interviews and meetings with 14 individuals across the executive and legislative bodies within San Francisco, over 20 former and current planning staff, more than 60 development professionals (evenly split between affordable and market-rate developers), and 6 different housing advocacy groups. We analyzed materials to extract themes and looked for frequency of themes across stakeholder groups. We also cross-referenced written law, recordings from hearings, approval documents, and analyses from our entitlement data.

Limitations of Research Approach and Analysis

Each method and data point has some limitations. For example, each observation in our approval dataset represents a potential housing or mixed-use development that developers believed had a high enough probability of success that they were willing to pursue entitlement in the first place. There are no project denials in the database to allow for quantitative analysis, but we do have limited data on a few denials we examined during data collection. Gathering data on project denials in a systematic way (for quantitative analysis) would demand substantially expanding the scope of the research project, which was not feasible given the research timeframe. Further, defining a project denial for data collection and analysis is more complex than defining an entitlement. A denial includes what the city reports as a denial but should also include projects that the city effectively "denied" (where a political body denied a specific entitlement, for example) even though the project remains pending within the city's public portal

---

the local law reviews a proposal to build housing through a discretionary process. Discretionary review is a legal concept that means the city can set standards and conditions for many aspects of a proposed building and the approval process is discretionary. An entitlement typically precedes the building permit process, and it is a process that involves planning department review of a proposal to build housing and potentially requires an approval from a local elected or appointed political body. A ministerial process involves a public official applying law to fact without discretion or subjective judgment. Often, building departments issue ministerial approvals. Uniquely, state law creates a ministerial process that also involves planning review—which we discuss at length in the full report.

[7] Corrected Annual Progress Reports helped us identify 11 observations late in our research process. We were able to code essential characteristics for these 11 observations to include them in our summary statistical analyses only.

[8] Eighteen participants sat for interviews in 2022 - 2023, and several participated in more than one interview. We also analyzed transcripts from six interviews across the same stakeholder groups in San Francisco (affordable developers, planners, market-rate developers, and community-based organization advocates) that O'Neill conducted in 2017, where comparisons with prior years was useful.

or in its annual reporting. For the purposes of research, a denial could also include a project from which a developer appears to voluntarily withdraw after the city determines that it will not approve the project or will impose conditions that render the project infeasible. There also may be no documentation to verify whether a project that appears to be pending has effectively been denied. In our work, however, where we come across developments that have advanced in the entitlement process but are ultimately denied, we do discuss those developments.

All interview participants volunteered, as did all participants in HCD-led meetings. Voluntary participation in interviews and research meetings increases selection bias and limits the generalizability of findings.[9] We increased the number of interviews in each stakeholder group and triangulated data and methods to augment the overall reliability of our findings from interviews where possible. Some topics do not allow for this, however. For example, developers may discuss why they are unwilling to apply for entitlement, but there is no other data to explore to understand what deters applications beyond what the interview participants shared.

Summary of Findings

HCD asked whether the data indicates San Francisco has fully implemented state housing law intended to promote housing production and affordability. **All data generally indicates that the answer is no.**

San Francisco's local rules embed subjectivity and uncertainty into review processes that state law says should be objective, time constrained, and, in some cases, certain. The city's authority to apply discretionary review to any permit, and the ease with which project opponents can appeal planning approvals and permits (including post-entitlement permits) to the Board of Supervisors or Board of Appeals fosters planning practices that limit full implementation of the Permit Streamlining Act, Housing Accountability Act, Housing Crisis Act, and in some instances, SB 35 and State Density Bonus Law. Planning staff are concerned about whether planning review will survive scrutiny from local political bodies, not the courts. Planning staff anticipate local political bodies will ignore planning recommendations and extend review processes if that is what neighborhood-level politics demand. Planning practices reflect this assumption, and local policy reinforces it. Developers interpret this planning practice as requiring more than what the law "on paper" demands through negotiation outside of public hearings to satisfy neighborhood interests. Developers perceive all planning approvals as uncertain and risky, even if the proposed development conforms to all zoning and planning standards. Eight years of approvals data confirms these perceptions. The risk and uncertainty embedded into local law has driven some developers to leave the San Francisco market and has deterred other developers from entering the market entirely.

Below, we elaborate on what the data tells us about the direct effects of specific state housing laws on San Francisco's housing approval process, what all data tells us about San Francisco's implementation of different state laws, and the relationship between local rules, planning practices, and lengthy entitlement outcomes. The report that follows details each finding.

[9] Selection bias refers to research participants not being fully representative of the group to which they belong. This limits our ability to interpret what we hear as the perspectives of a particular stakeholder group, generally.

SB 35 fixes planning review for eligible housing developments but is not a complete process fix.

Data shows San Francisco Planning diligently implemented SB 35. Approximately 36 professionals who work on affordable development unanimously reported that SB 35's ministerial process "fixed" planning review for affordable housing developments because the state law created certainty of planning approval where none existed previously. Stakeholder perceptions are borne out in the planning approval data. Table 1 shows that the median timeframe for planning approval for developments that applied only under SB 35 was ~3.4 months and could take up to eight months. In contrast, code compliant discretionary developments[10] requiring only a building permit had a median timeframe of two years and could take as many as four years.

Table 1: Timeframes to Planning Approvals Issued in 2018 - 2021 Selected Pathways

Process Category	Timeframe (Months)			
	Minimum	**Median**	**Mean**	Maximum
SB 35 only (N=9)[1]	0.89	3.42	4.24	7.62
Discretionary building permit only (N=13)	7.76	24.20	24.67	47.70

[1]This count does not include five applications that developers proposed as discretionary approvals, some before SB 35's enactment, that San Francisco later approved under SB 35.

Importantly, stakeholder interviews indicate SB 35 provided both affordable developers and planning staff relief from San Francisco's local rules. Data on how San Francisco Planning processed applications for development before SB 35 indicates Planning prioritized expediting 100% affordable developments.[11] Local law still limited how quickly planners could complete review for any development, including 100% affordable development that the city helped fund. In fact, the city entitled only five 100% affordable developments in 2014 – 2017, which would yield 567 units if built. The median timeframe to approval for these five 100% affordable developments was 15 months. In contrast, SB 35's ministerial process allowed San Francisco Planning to approve 14 100% affordable developments that would yield 1,663 affordable units if built. The median timeframe for the SB 35 100% affordable developments was less than 7.5 months, inclusive of developments that began as discretionary developments and later applied for SB 35 eligibility review. The median timeframe for 100% affordable housing developments that only applied for approval under SB 35 was less than three months. Most SB 35 developments also used State Density Bonus Law, so they were, on average, larger as compared with another three discretionary 100% affordable developments San Francisco approved in 2018 – 2021, or the five entitled in 2014 - 2017.

However, SB 35's effects are limited to planning review. All stakeholders still describe the post-entitlement approval process as subjective, lacking standardization and sufficient oversight.

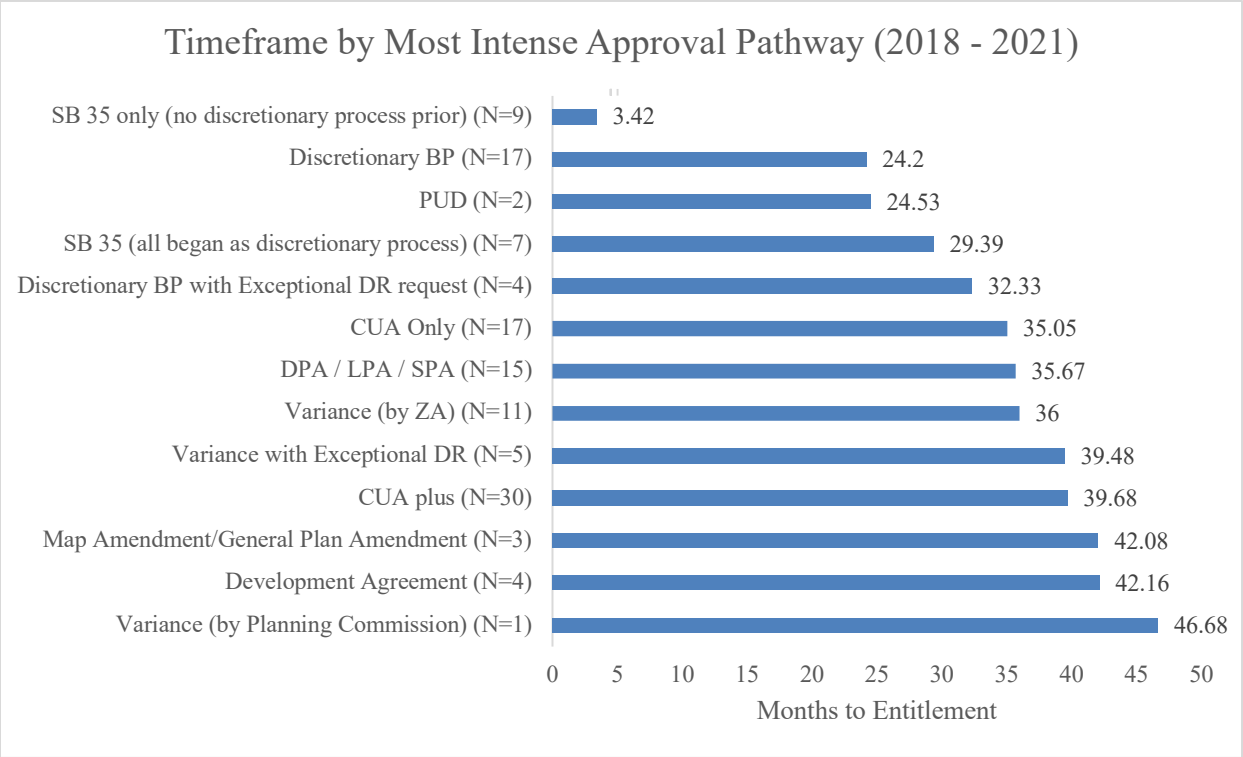
[10] Code compliant discretionary development means proposed housing development that conforms to all zoning and only requires a building permit. San Francisco law provides that this development is subject to discretionary review.

[11] Interviews at that time indicated internal work and analysis to expedite affordable development, but median timeframes for 100% affordable developments were still 15 months.

Stakeholders share that the post-entitlement permitting process depends entirely on the professional assigned to the project, not the project scope itself. Stakeholders report that subjectivity in the post-entitlement process can trigger additional planning review even after a project has moved to the Department of Building Inspection. Because SB 35 is limited to the planning review stage, the state law has no effect on these post-entitlement procedural issues. Developers share that because San Francisco's law offers opportunities for project opponents to challenge, or appeal, permits after entitlement, including demolition permits, SB 35 eligible projects are susceptible to process challenges after planning review as well.[12]

SB 35 also does not represent a complete fix for San Francisco's procedural challenges. SB 35 applies to qualifying projects so long as San Francisco keeps failing to meet its housing production targets. But missing housing production targets is not San Francisco's goal. **Still, San Francisco's implementation of SB 35 signals what is possible with a ministerial process while also spotlighting San Francisco's problematic existing discretionary review.**

Figure 1: Process Approval Pathway Timeframes



Graphic Developed by Dori Ganetsos using CALES data.

[12] The recent appeal of demolition permits for an SB 35 development located at 2550 Irving demonstrates this point.

Unpredictable discretionary review processes create uncertainty and risk—even for code compliant development of any size in any location citywide.

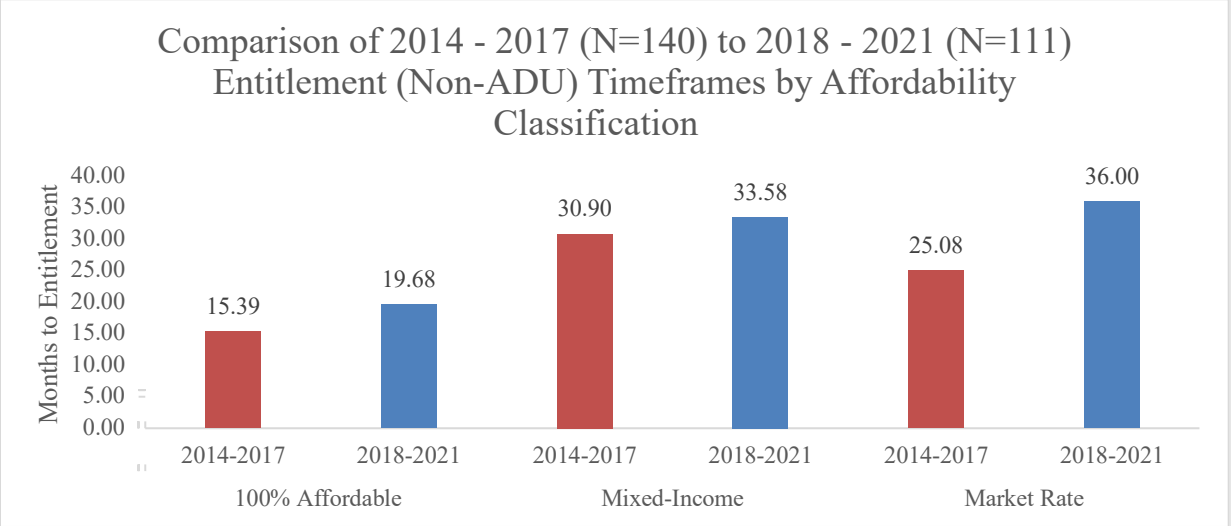
All permits in San Francisco are discretionary under local law unless preempted by state law[13] (like SB 35). Stakeholders describe the discretionary housing approval process in San Francisco as risky and unpredictable. Stakeholders report approval is uncertain even if the proposal conforms to all zoning and planning requirements. When we use different statistical methods to analyze the housing approval data, we also find that **no type of housing development is easy to entitle in San Francisco**. Even a smaller development that conforms to zoning and planning requirements faces unpredictable timeframes. When we analyze the approvals data to explore relationships between specific approval requirements and timeframes, we discover that there are factors—like affordability classification, project size, and location—outside of what zoning and planning standards require that influence timeframes. This suggests that these other factors might play a substantial role in whether and how a project gets entitled, even when a project conforms to all planning standards and zoning.

Timeframes for discretionary approvals increased.

Our 2018 - 2021 approvals data indicates that entitlement timeframes have increased as compared to the prior four years. The median timeframe for discretionary approvals of five or more units issued in 2014 - 2017 was 27 months. In 2018 - 2021, the median timeframe for the same climbed to 34 months—more than a 25% increase. Figure 2 shows that in both study periods, 100% affordable development moved comparatively faster: 100% affordable development requiring discretionary review had median approval timeframes of ~15 months in 2014 - 2017 and ~20 months in 2018 – 2021. Both periods show that the city can quicken the process, to some degree, for affordable development. Interview data from 2017 and 2022 - 2023 indicate that planning staff have been committed to expediting affordable development.

[13] The Municipal Business and Tax Regulations Code Section 26(a) provides that San Francisco's departments may "take into consideration the effects of the proposed business or calling upon surrounding property and upon its residents . . . [and to] exercise its [or their] sound discretion as to whether said permit should be granted, transferred, denied or revoked." SAN FRANCISCO, CAL., BUS. & TAX REGS. CODE § 26(a) (2019). San Francisco Planning's website states that the city interprets this part of the Municipal Code as granting the Planning Commission discretionary authority over all building permits, including permits not otherwise discretionary under zoning and planning requirements. *Discretionary Review*, S.F. PLAN., https://sfplanning.org/resource/discretionary-review (Jan. 25, 2023).

Figure 2: Comparison of Timeframes by Affordability Classification, All Years



Graphic Developed by Dori Ganetsos using CALES data.

Local policy and practices are inconsistent with the goals of the Permit Streamlining Act, Housing Accountability Act, and Housing Crisis Act.

Stakeholders report that San Francisco's local rules and politics create planning practices that are inconsistent with state housing laws which aim to quicken planning review and reduce subjectivity. Approvals data suggests these stakeholders are correct.

First, the data the city makes publicly available on project applications shows San Francisco systematically failed to meet PSA notification deadlines for discretionary approvals issued in 2018 - 2021. Planning recorded more information on application notices in its public portal for applications filed after January 1, 2018, as compared to prior years, indicating that San Francisco Planning is doing more to track and disclose project intake. Still, the city's data shows the city routinely did not meet PSA deadlines. Also, up until July 2023, local policy required the entitlement process for most dense development to begin with a mandatory Preliminary Project Assessment (PPA) process that added, on average, a year to the application process.

Second, local rules drive the city's implementation of the California Environmental Quality Act (CEQA), which extends timelines. Local rules that allow for easy administrative appeals and require appeal of CEQA determinations to follow entitlement[14] push environmental planners to make CEQA determinations at the close of the entitlement process. This practice limits the PSA's effect on overall approval timeframes.[15] Also, the state's CEQA guidelines do not require San Francisco Planning to incorporate wind and shadow studies into compliance pathways for exempt developments, but local law does. These supplemental studies add time

[14] The Board of Supervisors provides an advisory that explains that Section 31.16 of its Administrative Code requires that the Board will hear an appeal after the final approval action. *See* S.F. BD. OF SUPERVISORS, APPEAL FILING TO THE BOARD OF SUPERVISORS CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) EXEMPTION DETERMINATIONS APPEAL (Aug. 28, 2023), https://sfbos.org/sites/default/files/CEQA_Exemption_Determinations_Appeal_Info_Sheet.pdf.

[15] We interpret California Government Code § 65690(a) as imposing limits on the time to approval under the PSA only after a city makes CEQA determinations. *See* CAL. GOV'T CODE § 65690(a) (West 2023).

and cost to environmental review, and sometimes provide a basis for local administrative appeals.[16]

Third, and relatedly, administrative appeals not only delay entitlement for specific projects that face appeal, administrative appeals also influence planning practices at a systems level. Most stakeholders (across groups) perceive that San Francisco's process risks inserting the Board of Supervisors into any approval pathway through an appeal. This process nurtures risk averse planning practices at all stages which derail other local and state policy that aims to quicken review. Data also shows that appeals increase the workload for planners already juggling immense workloads, which in turn impacts the pace of review for other development proposals. For example, **an administrative appeal of just one entitlement in our dataset required 374 additional staff hours and $52,204 to prepare the appeal—even though the appeal was withdrawn**. Notably, nearly all the planners we interviewed or met with are more apprehensive of the Board of Supervisors than potential litigants.

Fourth, stakeholders report frequent continuances and multiple hearings for non-CEQA approvals, which they say also allows for changes to proposed development outside of formal hearings. San Francisco's publicly accessible data on hearing dates is incomplete for about half of our 2018 – 2021 observations. Still, we found that at least 22% of all 2018 – 2021 quasi-adjudicative entitlements had multiple continuances or hearings for a single step.[17] Some observations have remarkably high rates of continuances and hearings. One project, for example, had nine continuances for a joined Large Project Authorization and Density Bonus approval step.

Fifth, several stakeholder groups report that local policy allows frivolous and meritless challenges with ease (evidenced by withdrawn or denied appeals or withdrawn or denied requests for exceptional discretionary review)[18] and with little to no cost to project opponents, yet significant costs to planning staff and developers. Project proponents see increased costs because of the delays and uncertainty that these processes create. The processes also impact the workflow of Planning Department staff, which slows down planning review. For example, data shows that when project opponents request exceptional discretionary review, planners can expect to work several days and sometimes weeks preparing for a hearing on a project with which they already completed review. This requires shuffling work priorities. Developers report that rules that make it easy to challenge imminent planning approvals foster an opaque practice of negotiation outside of formal hearings which risks imposition of subjective conditions of approval. The approvals data show at least 14% of entitlements (across both study periods—or eight years) faced administrative appeals that were usually withdrawn or denied.[19]

---

[16] We note here that San Francisco's public portal only provides access to shadow studies, although many stakeholders including planners stated that wind studies are common.

[17] This includes entitlements that only required a planning department or zoning administrator review. If we take out those entitlements that did not require a hearing in front of the Planning Commission or Board of Supervisors under planning and zoning law, the rate is at least 30%.

[18] Exceptional discretionary review refers to a local rule that allows project opponents to request the Planning Commission exercise discretionary review for an approval that did not otherwise require the Planning Commission's involvement. This request necessitates a hearing, at which time the Planning Commission then determines if it will exercise discretionary review because of exceptional and extraordinary circumstances which could lead to modifying the conditions of approval. More detail on this local process is in the full report. We refer to this as "exceptional discretionary review" hereafter.

[19] Administrative appeal data for 2018 - 2021 depends on internal tracking and self-reported data and is not systematically available on the city's public portal. It is possible that the rate of administrative appeal could be higher.

Also, at least 20% of discretionary building permits in study years received a request for exceptional discretionary review.

Subjectivity and variability persist in the post-entitlement process.

All stakeholders experienced with development in San Francisco shared that the permitting process lacks standardization or uniformity in how the process unfolds. Outcomes, in terms of processing time, are contingent on who is assigned to the development rather than on the form of the development. This variability slows, and sometimes derails, production. Stakeholders describe building permit processes as inefficient and subjective, triggering planning review again even after entitlement. There is also notable difference in the way all stakeholders describe Planning Department and Department of Building Inspection (DBI) staff. Stakeholders blame local approval bodies for overly cautious planning practices. In contrast, stakeholders complain of too little oversight or management of DBI staff, and too few performance standards, as influencing permitting practices.

Stakeholders suggest local reforms must eliminate discretionary review on some housing or the city will not meet its RHNA or resolve long-standing inequities in land use.

Importantly, planners, developers, and many housing advocates welcomed the state's intervention into local discretion through SB 35. Though planners expressed a need for more technical support from the state when state law augments local planning review, planners agreed with developers that the state ministerial process fixed planning review for most 100% affordable development and offered that a ministerial process could do the same for other housing projects.

Stakeholder groups also shared that reforms to expedite and simplify planning review while retaining discretion will fail to fix process problems in San Francisco. Statistical analysis of approvals data suggests these stakeholders are correct. Planning review of code compliant development can take years. This is true, even though our timeline calculations do not capture the frequency of developments subject to discretionary review being punted back to Planning *after* entitlement for further additional review, because San Francisco's public data portal does not allow for systematic analysis of this problem. Regression analysis suggests that reducing process steps while maintaining discretionary review is unlikely to resolve San Francisco's production challenges.[20]

Stakeholders shared that rezoning must be coupled with procedural reform that provides a local ministerial process to address production challenges *and* equity. Planners, developers, and some housing advocates perceive current reform efforts as "tinkering" with the zoning and planning code, when what they believe is needed is procedural overhaul and equitable upzoning. Stakeholders characterize San Francisco's existing regulation as reflecting historical and current power imbalances across neighborhoods. Stakeholders caution that current density and use controls that limit housing development in more affluent neighborhoods reflect existing neighborhood power over planning and political bodies. Also, the dominance of project-level adversarial politics reflects that some communities can only access power over land use by blocking development at public hearings. When affluent neighborhoods are rezoned, stakeholders caution that neighborhood power and influence over planning and

[20] Figure 8 illustrates. For a full discussion of regression analysis using the 2014 - 2021 data, see Appendix A.

political bodies will not necessarily disappear. Without a ministerial process for at least some development, stakeholders caution that rezoning will simply catalyze more project-by-project adjudication and administrative appeals as affluent communities block more equitable distribution of dense housing development through existing process tools. If what stakeholders forecast is correct—and the data suggests that they are—then existing timelines to approval likely underestimate future approval timeframes in higher opportunity neighborhoods that the city is in the process of upzoning or proposing to upzone.

Planners, developers, and advocates share that these local rules requiring reform are values-driven. These rules reflect a widespread assumption that more process supports meaningful community engagement and sharing of power over land use which, together, help address structural inequities in the built environment. Several stakeholder groups caution that these assumptions are faulty. San Francisco's process fosters project-level political fights that result in high-risk entitlement processes without altering longstanding inequities in planning standards and zoning. Planners, in particular, share that what San Francisco needed, and still needs, is deep engagement at the policy, planning, and zoning stages to hash out what zoning and planning standards should be, as well as simplified and ministerial approval for development at the project level that serves the city's housing policy goals. Planners and developers caution that as process has gotten worse in recent years, fewer developers can navigate the risk of developing in San Francisco, and this poses major challenges to San Francisco's ability to meet its production targets. During meetings with HCD, some Commissioners and Supervisors called out this local history and the problems of process in San Francisco, seemingly aligned with the perspectives of planners, affordable developers, and housing advocates. At the same time, meetings with both Commissioners and Supervisors also revealed clear disagreement within political bodies on both the source of San Francisco's housing problems and the solution. At least some Supervisors are skeptical that increasing anything other than affordable housing production could tackle the city's housing challenges. Some Commissioners and Supervisors also expressed concern about how State Density Bonus Law and SB 35 alter the urban form, even as they want more affordability. And at least some Supervisors perceived affordability to be welcome citywide, whereas planners and affordable developers say that this is not true.

Conclusion

San Francisco's planning practice and process problems spring from local law that applies discretionary review to any permit and offers repeated opportunities to challenge project approvals after an already complex and lengthy planning review process. These rules incentivize risk averse planning practices to avoid disruptions to a busy workflow and public scrutiny from political bodies. Risk averse planning practices, in turn, limit full implementation of the Permit Streamlining Act, Housing Accountability Act, Housing Crisis Act, and in some instances, State Density Bonus Law. Local rules also limit the effects of SB 35, as affordable developers face post-entitlement appeals. Still, the direct effects of state ministerial review highlight what is possible in terms of resolving San Francisco's process issues. Planners, developers, and housing advocates suggest achievement of the city's equity goals requires a local ministerial process coupled with equitable upzoning. What is also apparent, however, is that reforming zoning and entitlement will be insufficient to attain production targets. The city has major challenges with post-entitlement processes—some of which are related, again, to local rules, and some of which are related to variability and subjectivity in permitting processes, staffing, and lack of inter-agency coordination.

Introduction

In 2016, we launched the Comprehensive Assessment of Land Use Entitlements Study (CALES) at UC Berkeley. CALES explores how communities design and apply land use law to proposals to build dense housing. We used a 2015 California Legislative Analyst's Office report that identified the metro areas with the highest housing costs in the state and where demand has outpaced supply[21] to select our first group of study cities and regions. San Francisco was at the top of the list, and we began our work by studying San Francisco and four neighboring cities.[22] We eventually grew the study to include 28 jurisdictions in seven metropolitan regions across the state.

What we found was that San Francisco zoned comparatively more land for dense housing than nearly every other city we studied across the state. Indeed, San Francisco was one of only *two* cities studied that zoned more than a third of its zoned land for all income levels.[23] Zoning land for dense multi-family housing is a necessary though insufficient condition to achieving affordability and inclusion. California's fair share housing law is premised on this concept.[24]

Despite San Francisco zoning more land for dense housing than most cities studied, we found that San Francisco's local regulatory regime was comparatively prohibitive and risked exclusion. Even though the city has explicit local policy to promote inclusion and fair housing goals through inclusionary housing programs, rent stabilization, and tenant protections, our comparative analysis categorized San Francisco as "prohibitive" due to its complex procedural maze and application of laws. Among the 28 jurisdictions studied, San Francisco was unique in that it made all development discretionary. No other city we studied made all building permits (typically issued post-entitlement) discretionary; most used aesthetic regulation or design or site plan review as the blanket discretionary hook during entitlement. A few of our study cities required use permits for all multi-family housing development. But all the other approaches we found existed in the planning code and zoning regulations. No other city studied made building permits discretionary through some other area of local law.

San Francisco was also an extreme outlier in terms of timeframes to entitlement—with median timeframes of over two years, even for housing developments that met all zoning requirements and planning standards. These lengthy timeframes eclipsed the other study cities' timeframes by many months. These timelines also exceeded planner perceptions of "average" entitlement timeframes in communities nationwide. We found that only 5% of the 140 project observations in our 2014 - 2017 dataset from San Francisco achieved entitlement in 12 months or less.

We wrote that San Francisco's land use regime exemplifies how cities can zone land for dense multi-family housing and write and implement procedural rules to create delay and uncertainty of approval. Delay creates cost. Uncertainty creates risk. Increased development costs and risk influences which developers will build within a place, and what those developers will build. In that prior research, interview data and 2014 - 2017 approvals data suggested San Francisco's local regulatory regime burdened affordable development—even if the city prioritized affordable

---

[21] CHAS ALAMO ET AL., LEGIS. ANALYST'S OFF., CALIFORNIA'S HIGH HOUSING COSTS: CAUSES AND CONSEQUENCES (2015), https://lao.ca.gov/reports/2015/finance/housing-costs/housing-costs.aspx.
[22] We refer here to our Report to the California Air Resources Board in fulfillment of Contract #3900-19STC005. MOIRA O'NEILL-HUTSON ET AL., EXAMINING ENTITLEMENT IN CALIFORNIA TO INFORM POLICY AND PROCESS: ADVANCING SOCIAL EQUITY IN HOUSING DEVELOPMENT PATTERNS (2022).
[23] *Id.*
[24] *See* CAL. GOV'T CODE § 65583.2 (West 2023).

development—and likely squeezed out possibilities for middle income housing development entirely. We found that San Francisco's local law facilitated most 2014 - 2017 entitlement being sited in formerly industrial locations or neighborhoods that had multi-family zoning in place for decades. What we concluded was that San Francisco was the most sophisticated of the cities we studied in how its local law effectively blocked dense housing development through complex procedural hurdles rather than traditional density and use constraints.

California's legislature has passed nearly 100 laws relevant to housing policy since 2016[25] to spur housing production across all income levels and promote equitable housing outcomes. Many important changes target subjectivity in planning review and aim to quicken planning review, particularly for multi-family housing. There is also new law and policy to accelerate equitable housing outcomes, in terms of increased production in high opportunity locations.

More recent legislative reforms invite important questions about how well San Francisco has implemented these state housing laws intended to promote housing production, affordability, and equity. To explore these questions, we expanded and extended our Comprehensive Assessment of Land Use Entitlements Study (CALES) to better understand San Francisco's local land use regulatory regime and identify roadblocks to all multi-family housing development approvals that would yield five or more units. This report details our methods, presents findings, and discusses their implications for the California Department of Housing and Community Developments' (HCD) Policy and Practice Review.

Methods, Data, and Limitations

HCD asked:

1) At the local level, are state housing laws (including the Housing Accountability Act, Housing Crisis Act, Permit Streamlining Act, State Density Bonus Law, SB 35, and Housing Element Law) intended to promote housing production and affordability being fully implemented, and are they achieving their intended effect?
2) What are the causes of delay in San Francisco's entitlement process?
3) To what extent do discretionary review processes impact overall project timelines and the housing approvals pipeline?

Overall Research Approach

We use a spiraling mixed methods research design that joins legal research and qualitative, quantitative, and spatial analyses to understand San Francisco's local regulatory environment and answer the research questions. A spiraling research design is iterative and allows us to reexamine theoretical assumptions and methodological choices throughout the research process. This iterative research approach is sensitive to local conditions and research needs that are sometimes difficult to discover at the beginning of a research process. This approach involves producing analysis at multiple points in the study to allow for a feedback loop with both HCD and San Francisco while also informing our own theoretical assumptions about which law, policy, or planning practice factors support or obstruct housing development. This approach also means we do not rely exclusively on qualitative, quantitative, or spatial analysis to answer any

[25] *See* Ben Metcalf, Managing Dir., UC Berkeley, Terner Ctr. for Hous. Innovation, Presentation at the California Joint Oversight Hearing with Assembly Housing and Community Development Committee: Housing Production: Recent Legislative Actions and Outcomes (Feb. 28, 2023), https://shou.senate.ca.gov/node/21.

research question. We use qualitative data (interviews) to understand our quantitative and spatial analysis (using our entitlement dataset) and vice versa.

Ongoing Legal Research

We completed initial legal research into San Francisco's planning and zoning through CALES in 2016. We updated that legal research in 2018 and 2019, and then again in 2021 to understand changes to local planning review processes (for example, the elimination of the pre-application Environmental Evaluation process in 2018) and the impact of state housing laws (including changes to Density Bonus Law, Accessory Dwelling Unit Law, Senate Bill 330, SB 35, and amendments to the Housing Accountability Act), wherever changes are codified or provided for in policy documents. The legal and planning code summary informs our interview questions and guides our current data collection process. In the scope of this work, we updated our review of local law with relevant trial court and appellate court opinions.

Our Interpretation of State Law and Definition of "Full Implementation" of State Law

Answering the first research question requires us to explore whether San Francisco's policy and practices comply with state law and whether San Francisco's local policy or practices prevent specific state laws from achieving their intended effect. This requires us, first, to interpret state law and define what it means for a locality to fully implement each law for the purposes of this research. How we define "full implementation" in the research questions also informs our methods of analysis. We list our understanding of the applicability of specific state laws, their aims, and our definition of "full implementation" here.

We interpret the PSA, Housing Accountability Act, and Housing Crisis Act as applicable to *all* discretionary approvals, or entitlements, in San Francisco that do not require local legislative action. We read provisions within San Francisco's Planning Code that allow for and anticipate that the Planning Commission will issue a waiver or exception from any planning standards or zoning *without* local legislative action as adjudicative and within the purview of these state laws.

We interpret the goal of the PSA as seeking to "expedite decisions" on qualifying development projects[26] by imposing time limits on application processing and approval decisions. We also interpret the Permit Streamlining Act as imposing limits on the time to approval under the Permit Streamlining Act only after a city makes CEQA determinations.[27] If our data shows that a local policy or practice prevents the Permit Streamlining from imposing those time limits, we conclude that the local policy or practice blocks the full implementation of the PSA, even if the data does not show San Francisco violated an express provision of the PSA.

We interpret that the goal of the Housing Accountability Act is to increase housing production by limiting the ability of cities to outright deny, reduce the density of, or render infeasible a development that complies with objective development standards. We interpret the Housing Accountability Act to prohibit these actions unless a locality provides written findings that the proposed development would have an unavoidable and impossible to mitigate adverse impact on public health or safety.[28] Relatedly, we interpret the 2017 amendments to the Housing Accountability Act, found in Assembly Bill 1515, as modifying the Housing Accountability Act's "reasonable person" standard for determining compliance with land use regulations[29] in favor of

[26] CAL. GOV'T CODE § 65921 (West 2023).
[27] CAL. GOV'T CODE § 65950 (West 2023).
[28] CAL. GOV'T CODE § 65589.5 (West 2023).
[29] CAL. GOV'T CODE § 65589.5(f)(4) (West 2023).

approving qualifying development. We read the law consistent with how the First District Court of Appeal read the law.[30] We also interpret the "deemed to comply" provision of the Housing Accountability Act consistent with this same appellate court opinion.[31] We interpret this state law as requiring a city to send a project applicant timely written notice and an explanation of non-compliance if a city determines a proposed housing development is inconsistent with applicable standards.

We use descriptive statistics and interviews to explore whether San Francisco may have imposed conditions that lead to a reduced density (between application and entitlement), or subjective standards (conditions that render the development infeasible), or otherwise effectively denied a proposal to develop housing that a reasonable person would conclude is compliant with land use regulations under the Housing Accountability Act. Where our data indicates that the city may have imposed subjective standards, conditions that reduce density, or conditions that may render developments infeasible, we describe this as a failure to fully implement the Housing Accountability Act. We do *not* conclude whether San Francisco violated an express provision the Housing Accountability Act because of the limitations of our data. We gather and analyze documents that are readily available through the city's parcel information map public portal—but we cannot confirm that the city did not issue a notice of non-compliance with applicable standards *or* did not prepare findings, because the documents are not readily available on the public portal. We cannot interpret the absence of those documents on the city's public portal as meaning that those documents do not exist, ergo, San Francisco did not comply with state law.[32]

We also interpret one goal of the Housing Crisis Act of 2019, enacted in October 2019,[33] to be to curb delays associated with hearings, continuances, and meetings.[34] Where we identify entitlements with multiple hearings and more than five hearings, we describe as inconsistent with this law or that the city is not fully implementing the law. We do not determine whether the city is systematically violating the express prohibition on number of hearings, largely because of the data challenges surrounding hearings as discussed in the body of this report.

Unique Entitlement Dataset

The Comprehensive Assessment of Land Use Entitlements Study (CALES) dataset is a uniquely detailed dataset on how entitlements issued in select years navigated their approval pathway. Table 2: Entitlement Data Counts by Project and Units Across Years details observations per study year.

[30] We refer here to the opinion in Cal. Renters Legal Advoc. & Educ. Fund v. City of San Mateo, 68 Cal. App. 5th 820, 845 (2021) ("Subdivision (f)(4) is intentionally deferential to housing development.").
[31] *Id.* at 831 (a "project is deemed to comply if 'substantial evidence . . . would allow a reasonable person to conclude' that it does").
[32] We do recommend, however, that San Francisco make those documents publicly available if they exist.
[33] We refer here to the passage of Senate Bill 330, approved by the Governor on October 9, 2019. S.B. 330, 2019-2020 Leg., Reg. Sess. (Cal. 2019).
[34] CAL. GOV'T CODE § 65905.5 (West 2023).

Table 2: Entitlement Data Counts by Project and Units Across Years

	2014	2015	2016	2017	2018	2019*	2020	2021
Projects	24	23	55	38	36	42	25	41
Units	2,470	2,069	6,371	3,359	2,824	2,807	2,839	2,869

*We included one SB 35 observation without an eligibility determination date in 2019 based on the date of the building permit.

2014 - 2017 Observations

The 2014 - 2017 dataset does not include Accessory Dwelling Unit (ADU) approvals but does include litigation-related data.[35] We do not rely on San Francisco's reporting on entitlement and permitting. Rather, we build our dataset from source documents including application documents, planning staff reports, motion and resolution documents, and legal pleadings where relevant, and construct our own code book. Importantly, in addition to our typical quality control measures, San Francisco uniquely provided us an opportunity to review our 2014 - 2017 dataset with the San Francisco Planning Department's Environmental Review team in 2018 following our first working paper.

Using San Francisco's online Property Information Map system (PIM), we augmented the 2014 - 2017 entitlement data in this study by:

1) Collecting additional hearing, correspondence, and approval data on the PPA and Environmental Evaluation Application processes, where available;
2) Collecting in-depth information on the nine observations where parties applied for exceptional Discretionary Review (DR) under San Francisco's Business and Tax Code, including all available data on the requests, hearings, and the Planning Commission's actions;
3) Confirming if and how market-rate developments satisfied San Francisco's inclusionary zoning (IZ) ordinance by reviewing our data and supporting documents (there are 10 market-rate developments in our dataset where we cannot confirm how the projects satisfied the IZ requirement);
4) Supplementing our search for "determined to be complete" dates issued by the Planning Department (there are none for all 140 observations) with a second search through San Francisco's Property Information Map (PIM)[36] for correspondence regarding incomplete applications; and
5) Augmenting existing CEQA-related coding with any available data on Wind, Shadow, and Transportation Demand Management studies for each observation in the 2014 - 2017 dataset.

[35] We detail how we collected and quality checked the 2014 - 2017 entitlement data we reference in the Report to the California Air Resources Board (CARB Report). MOIRA O'NEILL-HUTSON ET AL., EXAMINING ENTITLEMENT IN CALIFORNIA TO INFORM POLICY AND PROCESS: ADVANCING SOCIAL EQUITY IN HOUSING DEVELOPMENT PATTERNS 36-43 (2022).

[36] PIM refers to San Francisco's public portal that provides comprehensive access to numerous records associated with parcels. *San Francisco Property Information Map*, S.F. PLAN., https://sfplanninggis.org/pim/ (last visited Sept. 18, 2023).

The Permit Streamlining Act provides planning departments should determine whether an application to develop housing is complete within 30 days of receipt or the application will be deemed complete.[37] We found no publicly available data that documents that San Francisco's planners made completeness determinations within 30 days of application for any entitlement of five or more units issued in 2014 - 2017. [38]

We explored the data to see if we could determine "deemed complete" dates as well. For discretionary building permit applications, we could almost always locate the Preliminary Project Assessment (PPA) applications (where applicable) but could not always find Project Applications consistently logged. The Notice of Building Permit Application, however, references the application date (though we cannot confirm the date against a source document). For other approval applications that require only one local approval—like a Conditional Use Authorization (CUA)—we can locate the PPA documents, but we can only sometimes locate applications for those discrete approvals with date stamps of application receipt by the Planning Department.

We also cannot determine from the documents on PIM when planning review began for entitlements issued in 2014 - 2017. For projects that fall under the Permit Streamlining Act, this means that it is not possible to confirm compliance with the Permit Streamlining Act even if the Planning Department staff did not make completeness determinations. For example, we found a few instances of Planning Department correspondence that lists what an application for a discretionary approval (like a CUA) is missing, and states that review has begun and that time limits do not begin until after the project proponent submits the required materials—but the letter does not provide *when* planning review began. These letters are dated many months after the application date.[39] The date of the letter suggests non-compliance with the PSA, but the language is vague. Also, although PIM links users to a portal that provides some building permit data (permit number, description, and date), there is little to no supporting documentation available.

2018 - 2021 Observations

We first modified the data collection template to account for important changes in state law and to track source documents closely. We have variables to identify the source of data that we used to determine the timeframe, approval, and hearing values. Adding data source variables allows us to code for whether we were able to identify an approval detail or event based on the original document (primary source) or an entry in San Francisco's portal (secondary or self-reported source). We also constructed new variables to explore:

- How many public hearings (including continuances) to which a project was subjected.
- The approval body required of a developer or property owner before issuing an approval.
- Changes to project characteristics (in terms of the number of units proposed, or types of units proposed) throughout the entitlement process.
- How developments that qualified for state ministerial approvals (such as SB 35) navigated the approval process.

---

[37] CAL. GOV'T CODE § 65920 (West 2023).

[38] During our prior research in San Francisco, we did not request this information through a Public Records Act request. We did confirm in meetings with San Francisco personnel that at that time, Planning did not track the relevant information.

[39] For example, using one of our CUA observations to illustrate, we can find the application (with the submission date) and the Planning Department's notice that details what is missing, and that review is underway. The time lag between the two is about 10 months and does provide when planning review began.

Consistent with prior coding, we also always code for "other approvals" we could not anticipate from legal research and review of San Francisco's local planning and zoning ordinances. In 2018 - 2021 data, examples include approvals like those requiring sidewalk legislation to allow a development to meet other code requirements. We also continuously add variables to augment the dataset to answer the research questions above.

We built our potential observation list to collect data from multiple sources. We referenced Annual Progress Report (APR) data to identify all reported entitlements or ADU or SB 35 approvals that would yield five or more new residential units if built. The APR listed duplicates. We cleaned for duplicates as we only wanted to examine unique projects in the APR. Once we had unique reported entitlements, we ran a match within our own 2014 - 2017 dataset. We ran a fuzzy-join text matching algorithm[40] between unique entitlements in the APR with our 2014 - 2017 dataset. We found six APR unique projects that overlapped with observations in our 2014 - 2017 data (which we had already cleaned and confirmed involved entitlements in those years). We do not include those in our 2018 - 2021 dataset.[41] We incorporated the remainder of APR entitlements into our data collection strategy. We then reviewed CEQA-related approvals in San Francisco's PIM portal and Planning Commission agendas using San Francisco's public database of environmental review notices of determinations and exemptions.[42] We identified another group of observations (developments that appeared potentially approved in 2018 - 2021) to incorporate into our data collection strategy. Our 2018 - 2021 data includes 16 SB 35 observations and 17 discretionary ADUs. We provide more detail on the accuracy of APR data in Appendix C.

In all, a team of trained students collected data on 196 potential observations of entitlement/approvals issued in 2018 - 2021 after constructing a project list from the APR, cross-referencing environmental review determinations, and any other materials that listed out SB 35 project approvals. After preliminary data collection we determined 144 observations belonged in our study for analysis of entitlements and SB 35 approvals issued in 2018 - 2021. We excluded pending entitlements, entitlements outside of our study years, and Development Agreements associated with a major phased development where no phase or building had yet secured its final entitlement. We completed a full quality check of 133 of our 2018 - 2021 observations. The quality check process involved checking each coded value we recorded in the database twice against the source document or the PIM entry if no source document was available. Where there was an ambiguity or confusion about what the coded value should be, O'Neill reviewed the value and the source material to make a final coding decision.

We completed a partial quality check for 11 observations we gathered late in our data collection process, after referencing amended Annual Progress Reports, to allow for reliable summary statistics, including regression analysis, and all spatial analysis. We exclude these 11 observations from our analysis of frequency of continuances, changes in proposed density from

[40] A fuzzy join is a joining method that is used for merging two datasets that are not perfectly matched. The reason we ran a fuzzy join is that there may be differences in how an address was written in the APR and our original dataset. A fuzzy join allows us to match projects that may have similar but not identical addresses in the APR and the CALES dataset.

[41] We would have to first confirm with San Francisco Planning whether these six potential observations were new entitlements and not modifications before including them in our dataset.

[42] *Environmental Review Documents*, S.F. PLAN., https://sfplanning.org/environmental-review-documents (last visited Sept. 18, 2023).

application to approval, project intake processes, inclusionary housing program compliance pathway, and frequency of additional studies during environmental review.

Primary Source Documents

Whenever possible, we relied on primary source documents; San Francisco does not make all primary source documents readily available. For example, calculating timeframes to entitlement for discretionary observations requires tracking the earliest required application date. Prior to discontinuing the PPA requirement in July 2023, San Francisco required project proponents submit a PPA for specific types of development before submitting a project application. We have 87 observations in our 2018 - 2021 dataset that would have required a PPA application. We were able to locate the signed and dated PPA application document to determine the first application date for 48 of those observations through PIM. We sourced PPA application dates for another six observations from PPA-related correspondence (including the PPA decision document). We had to rely on PIM entries for PPA dates for 22 observations because either the application itself was not dated, or there was no PPA application in the PIM portal. San Francisco's PPA process required project proponents to submit significant information about the proposed development.

Another example relates to San Francisco Planning's policy that mandates a pre-application neighborhood notification process, and a pre-application hearing called the "Pre-Application Community Outreach Process" or "Pre-Application Meeting."[43] This pre-application process requires project proponents to send notices and copies of plans to adjacent neighbors and neighborhood organizations *before* applying to develop land for any new construction or alteration that would change an existing structure by seven vertical feet or 10 horizontal feet. San Francisco Planning compiles the list of neighborhood organizations that project proponents must notify. Though PIM makes most PPAs available, PIM rarely provides source documents that furnish detail about pre-application hearings.

Also relevant, determining compliance with the Permit Streamlining Act requires tracking whether a project proponent applied for entitlement by submitting an application package to the Planning Department. While our dataset contains initial application dates for most of our 2018 - 2021 observations, we can source these dates from primary source documents—signed and dated applications—for only 58 observations. We rely on references to application dates in Plan Check Letters sent by the Planning Department and approval documents in another 29 observations. Where we do not have a primary source document, we rely on PIM entries for application dates, which is data that a San Francisco Planning Department planner entered into the PIM system directly.

In sum, more than half (56%) of the application dates in our dataset are essentially self-reported dates from Planning—and not readily verifiable with application documents. We also highlight here that in at least four instances, the PIM entry reports an application date *after* the approval event (which is available through a primary source document). In another five instances, the PIM system reports an application date that is prior to the PPA date. We assume these are errors (an application should neither follow an entitlement nor predate a preliminary application procedure) but we report out what the data shows, nonetheless. Although these potential errors do not impact descriptive findings on time frames to approval, they do limit analysis of consistency with the PSA.

[43] *Pre-Application Meeting*, S.F. PLAN., https://sfplanning.org/resource/pre-application-meeting (July 30, 2023).

Regression Analysis

We ran several regressions to analyze existing relationships within the CALES dataset. We include all regressions, supplementary analysis, and robustness checks in a separate methods Appendix A, though the main findings are in this report. We ran regression models on 2014 - 2017 data and 2018 - 2021 data separately, and then together. We used the statsmodel Python module[44] to run all regressions in this analysis. We calculated all regression coefficients with robust standard errors (Errors of Order 3 (HC3)) in order to account for the existence of outliers and other issues within the data such as heteroskedasticity (variation in regression errors across our observations) and provide a small sample correction.[45] Note that if we did not use robust standard errors, the standard errors of our estimates would be smaller, so the standard errors and subsequent hypothesis testing are conservative.

In-Depth Interviews and Meetings and Review of Public Hearings

We have interviews from our prior research across cities from 2017. We used transcripts from six interviews conducted in 2017 with stakeholders within San Francisco (an affordable developer, market-rate developer, city employee who managed affordable development, city planner, land use attorney, and community organization advocate) in this analysis. For this research, we also completed an additional 28 in-depth interviews with 18 additional participants that did not participate in interviews in prior years or in meetings led by HCD between late-fall 2022 and May 2023. We interviewed participants from the following groups: developers (market-rate and non-profit affordable developers); private sector professionals (architects, land use lawyers, planners); government personnel (including city planning staff); and representatives from community-based organizations (including affordable housing advocates). We identified some of these interview participants as experts within San Francisco and reached out to them to participate in an interview. Other participants reached out to us to participate in interviews as well. We advised all participants that the research would be reported to HCD, but we would protect the confidentiality of each participant consistent with our research protocols. For that reason, we do not quote any individual participant and only report on themes based on what multiple participants or entire stakeholder groups shared.

We observed another 33 meetings that HCD convened for their Policy and Practice Review with approximately 146 stakeholders, including city planning personnel, Commissioners, Supervisors, market-rate developers, affordable developers, and housing organizations. Twenty of those meetings invited one participant, and five meetings invited two to three participants. These 25 HCD-led meetings with one to three participants offered in-depth conversations, much like research interviews. Most were an hour, though a few were longer or shorter. Most meetings included participants, one member of the HCD team and O'Neill. A handful of much larger meetings (with more than three participants) included more than two HCD team members

[44] Documentation for this module can be found at STATSMODELS, statsmodels.org/stable/index.html (May 5, 2023).

[45] In regression analysis, the errors are defined by the difference between the observed values of the dependent variable (in this case, project timeframes) and values predicted by the regression specification. Accurate estimation of the uncertainty of OLS-predicted values generally depends on constant errors across observations. However, in this study, we do not assume that error is constant (homoscedasticity). For instance, model error might be larger for observations with substantially longer timeframes (i.e., where projects take two to three times longer than the median timeframe). When we use robust standard errors, we no longer assume that errors are constant across all observations, which can mitigate the impacts of this regression analysis being based on observational data. Further, we are using a small sample correction to mitigate the fact that our universe of observations is relatively small and to account for the natural clustering in timeframes that occurs at each local land use approval step.

and O'Neill, along with participants. In each of these meetings, HCD informed the participants that O'Neill would be observing and listening to the conversation for research purposes and that the research would support the state's Policy and Practice Review. About half of the meetings with Commissioners and Supervisors also included a deputy city attorney in the meeting with HCD. Stakeholders discussed planning review and post-entitlement processes in-depth.

In all, we analyzed notes from interviews and meetings with representatives from six different housing advocacy groups, over 20 planning staff and more than 60 development professionals (evenly split between affordable and market-rate development). We also heard from 14 individuals split across the executive and legislative bodies within San Francisco.

Two members of the research team performed a line-by-line reading of a subset (10%) of the interview transcripts and notes from interviews and meetings[46] to identify recurrent concepts to generate a codebook in MaxQDA. We developed codes through an inductive process—a process in which we analyzed the transcript to identify codes based on themes that the speaker emphasizes. We also generated some codes for analysis using a deductive process—a process in which we analyze the notes and transcripts for content which indicates the speaker perceives that San Francisco either violated a state law *or* believes a policy or practice blocks a state law from having its intended effect. Once we had a codebook, three members of the research team coded all transcripts using the same software. We used MaxQDA software to summarize the findings by code and used the summaries to identify cross-cutting themes. This report pulled out findings where the team reached greater than 90% agreement on coded segments. We also generated stakeholder abstracts that summarized dominant themes (including internal consensus and disagreement on key topics within stakeholder groups).

Where interview participants or meeting participants directed us to specific public hearings, we also reviewed those hearings to confirm what participants shared did occur. We only inserted quotes from public hearings or relevant media reporting into this report and did not include any direct quotes from conversations between stakeholders and either HCD or O'Neill.

Document Analysis

Both interview and meeting participants, along with data collection, identified more than 41 proposed developments for a more detailed review process by our research team. We also located and analyzed documents associated with those 41 potential developments to explore in-depth what occurred during planning review.

Study and Data Limitations

Regression analysis using CALES data does not establish causal relationships. We rely on qualitative data to establish causality. Interview data is limited by the fact that all study participants volunteered. Relatedly, data from individuals and groups that agreed to participate in meetings with HCD is also limited by the fact that these participants volunteered. Voluntary participation in interviews increases selection bias and limits the generalizability of findings from interviews. We increased the number of interviews to reduce bias, but that does not allow us to generalize about San Francisco's policies or practices. Interview findings, however, can help us craft questions for quantitative analysis. Interview findings can provide important insights when

[46] Some participants asked that the interview/meeting not be recorded for transcription purposes. In those instances, O'Neill took detailed notes during the conversation, and the team joined those notes with transcripts from other interviews or meetings for qualitative analysis.

combined with regression and spatial analysis that regression and spatial analysis alone cannot yield.

The advantage of our 2014 - 2017 entitlement dataset is that it is uniquely detailed. The limitation of that dataset, however, is that our original coding structure aimed for comparative analysis across cities. This means that when we coded our 2014 - 2017 observations, we collapsed some San Francisco processes into single variables to compare processes across jurisdictions. For example, Large Project Authorizations and Downtown Project Authorizations were coded together in our master dataset as "exceptions" because that was the most analogous to similar processes in other cities. That limits our ability to explore how those two distinct processes operate when we are studying San Francisco only. To address this in coding for the 2018 - 2021 data, we created two coded datasets. The 2014 - 2017 dataset has less detail than the 2018 - 2021 dataset.

Another important limitation of our entire entitlement and SB 35 approval dataset relates to what each observation represents. Each observation reflects successful entitlements or SB 35 approvals only. That means that this universe of projects that we use for quantitative and spatial analyses represents those developments that successfully navigated the entitlement process in San Francisco. This means that the observations also represent those developments that developers likely had a high enough probability of success that they were willing to pursue entitlement in the first place. We do not have data suitable for quantitative analysis on when and how the city may have denied applications for entitlement in our dataset. That was beyond the current research scope. There is also no reliable data suitable for quantitative or spatial analyses on parcels where a property owner is unwilling to apply for entitlement.

Also, we gathered insights from stakeholders through interviews regarding what occurs during entitlement and what influences whether some buildings get built. Specifically, stakeholders suggest that smaller buildings, which those stakeholders define as 20 units or less, may get entitled but become financially difficult to build post-entitlement. The stakeholders attributed this to an entitlement process that mediates conflicts with opponents in a way that may lead to a final entitlement of a project that is not financially possible to build.[47] If entitlement processes contribute to whether a proposed development is financially feasible—and in turn whether a developer will pull building permits to build—then theoretically we might see a difference in the rate of filing for building permits for buildings that are 20 units or less as compared to larger buildings (21 units or more).

We have two challenges concerning exploring this issue with quantitative methods. The first is that augmenting the entitlement data with post-entitlement permitting data is very difficult; San Francisco's building permit data is not as accessible online or as reliable as entitlement data. Also, San Francisco's local law makes it difficult to systematically identify what counts as the permit that represents the beginning of construction activity and/or intent to build the building because San Francisco has a discretionary building permit process.

[47] Relatedly, at the time of this writing, the San Francisco Chronicle reported on a study concluding that the City's Inclusionary Housing Program is rendering some development fiscally infeasible. *See* Noah Arroyo, *Affordable-Housing Quotas Imperil New S.F. Building Projects, Study Says*, S.F. CHRON. (Jan. 22, 2023), https://www.sfchronicle.com/bayarea/article/sf-affordable-housing-projects-17727101.php.

Findings

We report findings in response to each of the questions that HCD asked, drawing on all data and methods to answer each question. Our findings sometimes rely on data from both our 2014 - 2017 and 2018 - 2021 datasets, and sometimes draw exclusively on the 2018 - 2021 dataset. We also compare four years to four years where appropriate and construct year-to-year comparisons or group years by two-year comparisons (e.g., 2014 - 2015 compared with 2018 - 2019) where appropriate.

Table 3 summarizes the total number of observations in our dataset, and the units they would yield if built, both in terms of market-rate units and affordable units. We narrowly define affordable units to refer to deed-restricted below market-rate housing units. Group housing, student housing, and single room occupancy housing are not included in any affordable housing count. Table 4 elaborates on the type of observations within our 2018 - 2021 data only.

Table 3: Summary of Total Approvals and Unit Counts Across Study Period

Study Period	Total Approvals	Total Units	Affordable Units	% Affordable Units/ All Units
2014 - 2017 Units from Entitlement of Developments of Five or More Units	140	14,269	2,168	15%
2018 - 2021 Units Approved from Approval of Developments of Five or More Units	144	11,339	3,039	27%

Table 4: 2018-2021 Approval Observations and Units by Affordability and Process

Affordability Category	Project Count	Market-rate Units	Affordable Units
100% Market-Rate Discretionary Non-ADU[1]	55	4,264	–
100% Market-Rate Discretionary ADU[2]	16	110	–
Mixed-Income Discretionary Non-ADU	52	3,473	873
Mixed-Income Discretionary ADU	1	21	3
Mixed-Income SB 35	2	4	1,659
100% Affordable Discretionary Non-ADU	4	4	210
100% Affordable SB 35	14	426	294

[1]This includes 2 Group Housing Projects and 1 Student Housing Project.

Although we elaborate on the contours of specific rules and planning practices when we discuss each finding, there are the two aspects of San Francisco's local law that dominate nearly all interviews and provide critical framing for virtually all of our findings. The first local law is one that makes all housing approvals in San Francisco discretionary. The Municipal Business and Tax Regulations Code Section 26(a) provides that San Francisco's departments may "take into consideration the effects of the proposed business or calling upon surrounding property and upon its residents . . . [and to] exercise its [or their] sound discretion as to whether said permit should be granted, transferred, denied or revoked." The city interprets this law as granting the Planning Commission discretionary authority over all building permits, including permits not otherwise discretionary under zoning and planning requirements. The Planning Commission delegates this discretionary authority to the Planning Department to review applications that meet Planning Code standards and Design Guidelines. But when disputes arise over a building permit, "concerned parties may choose to file a [request for exceptional] DR."[48] A DR effectively stops the Planning Department's approval process, sets a public hearing in front of the Planning Commission, and triggers additional planning staff analysis to prepare for the hearing.

Once a party has requested DR, unless they withdraw their request, there is always a public hearing. At the public hearing, the Planning Commission reviews materials and hears testimony and then determines whether it will "approve, disapprove or require modifications to the project."[49] The city states that the Planning Commission exercises this form of discretionary review only in exceptional circumstances when disputes between neighbors cannot be resolved through mediation.[50] The procedure, based on how it is written, indicates that the process of requesting and holding a hearing can add months to the approval timeline, even if the Planning Commission leaves the Planning Department's approval intact.

Another topic that dominated interviews is the ease with which project opponents can challenge discretionary approvals and post-entitlement permits through an administrative appeal under City Charter Section 4.106(b). The city charter provides that the Board of Appeals (an appointed political body) will hear appeals of building permits and demolition permits, unless either permit is issued after the Planning Commission authorizes a Conditional Use.[51] The Board of Supervisors hears appeals of any post-entitlement permit associated with a Conditional Use Authorization and any appeal of a CEQA decision.[52]

San Francisco's local rules prevent full implementation of the goals and aims of state housing laws.

HCD asked whether the data shows that San Francisco is fully implementing state law, including the Housing Accountability Act, Housing Crisis Act, Permit Streamlining Act, SB 35, and State Density Bonus Law. The answer, as indicated by the data, is no. Developers, planning professionals, and most housing advocacy organizations perceive local rules as

[48] *Discretionary Review*, S.F. PLAN., https://sfplanning.org/resource/discretionary-review (Jan. 25, 2023).
[49] *Discretionary Review*, S.F. PLAN., https://sfplanning.org/resource/discretionary-review (Jan. 25, 2023).
[50] The city also elaborates on its interpretation of the power this provision affords the Planning Commission in the Application Packet for Discretionary Review. *See Discretionary Review*, S.F. PLAN., https://sfplanning.org/resource/discretionary-review (Jan. 25, 2023).
[51] The city details the limitations of the Board of Appeal's jurisdiction. *About Us, Board of Appeals*, SF.GOV, https://sf.gov/departments/board-appeals/about (last visited Sept 18, 2023).
[52] Appeal of Certain CEQA Decisions, SAN FRANCISCO, CAL., ADMIN. CODE § 31.16 (2013).

blocking the full implementation of the Housing Accountability Act, Housing Crisis Act (SB 330), Permit Streamlining Act, and State Density Bonus Law. Descriptive and inferential statistical analysis of housing approvals yields findings that are consistent with these stakeholder perceptions. Stakeholders also report that SB 35 effectively expedites planning review, but does not resolve post-entitlement problems within San Francisco.

We report findings related to SB 35 and State Density Bonus Law first, and then move through findings related to steps in the entitlement and post-entitlement process.

San Francisco Planning fully implemented SB 35, but SB 35 is not a complete process fix.

SB 35 provides a state ministerial process for qualifying urban multifamily code compliant housing developments in jurisdictions that fail to meet their RHNA production targets in prior RHNA cycles. In San Francisco, SB 35 applies to qualifying housing where 50% or more of the units are affordable. A ministerial process is significant for developers and planners in San Francisco because local law renders all approvals discretionary. The state ministerial process eliminates pre-application requirements and hearings (discussed in more detail below), the opportunity for project opponents to request DR, and CEQA review. Once San Francisco Planning determines a project is eligible for SB 35, the developer proceeds directly to the Department of Building Inspection (DBI) for permitting.

SB 35 processing timeframes are fast—whereas discretionary building permits typically take years.

SB 35 cabins the eligibility review period to 90 or 180 days depending on the project size (measured by units).[53] Like many other cities, San Francisco "restarts" the review clock if there are any changes to the application.[54] The data shows San Francisco Planning diligently applied this state law. We found that planning review for developments that began as SB 35 applications take about four months but no more than eight months. Table 7 shows that, in contrast, discretionary building permits take approximately two years to entitle or complete planning review before they begin to work with the DBI. Stakeholders explain that entitlement delays increase holding costs, but approval delays may also result in being subject to higher fees, particularly when delays span over years. Timeframes for all non-ADU developments along specific approval pathways spotlight the difficulty of entitlement and the need for a local ministerial process in addition to other zoning and procedural reforms.

[53] CAL. GOV'T CODE § 65913.15(c)(1)-(2) (West 2023).
[54] Moira O'Neill & Ivy Wang, *How Can Procedural Reform Support Fair Share Housing Production? Assessing the Effects of California's Senate Bill 35,* 25 CITYSCAPE 143, 143-70 (2023).

Table 5: Entitlement Timeframe by Approval Pathway 2018-2021

Process Categorization	Min. Timeframe	**Median Timeframe**	Max. Timeframe	**Mean Timeframe**	Standard Deviation
SB 35 Only (no discretionary process prior) (N=9)	0.89	**3.42**	7.63	**4.29**	2.63
SB 35 Conversion (all began as discretionary) (N=7)[2]	15.39	**29.39**	41.39	**29.18**	10.32
Discretionary BP (N=17)	7.76	**24.20**	47.70	**24.07**	8.58
Discretionary BP with Exceptional DR request (N=4)[3]	10.32	**32.33**	55.56	**32.64**	19.76
Variance (by ZA) (N=11)	19.73	**36.00**	69.27	**41.40**	19.96
Variance (by ZA) with Exceptional DR (N=5)	10.39	**39.48**	146.69	**59.28**	52.30
Variance (by Planning Commission) and Exceptional DR (N=1)	46.68	**46.68**	46.68	**46.68**	—
DPA / LPA / SPA (N=15)	23.31	**35.67**	67.03	**38.33**	13.59
CUA Only (N=17)	18.71	**35.05**	59.34	**35.90**	12.45
CUA[4] Pplus (N=30)	17.00	**39.68**	105.40	**46.01**	21.99
PUD[5] (N=2)	7.73	**24.53**	41.33	**24.53**	23.76
Development Agreement (N=4)	32.09	**42.16**	51.52	**41.98**	7.94
Map Amendment/General Plan Amendment (N=3)	34.49	**42.08**	64.90	**47.16**	15.83

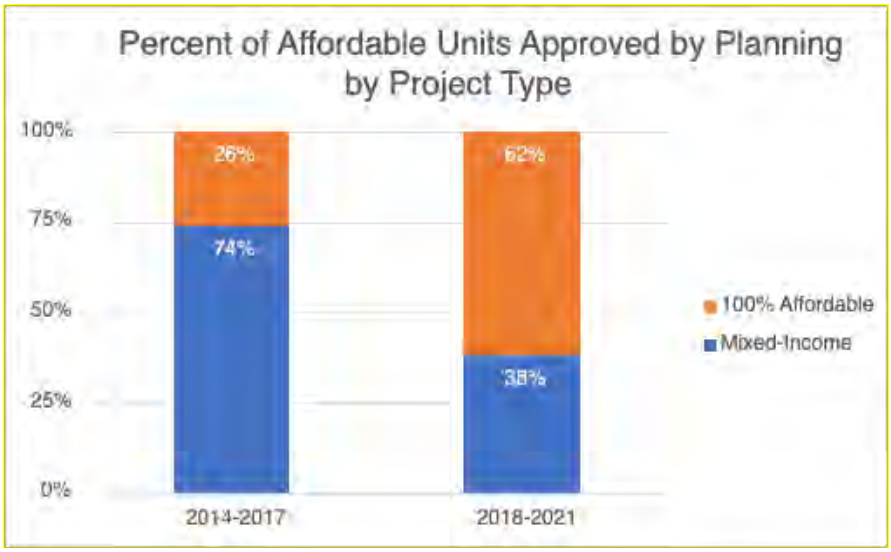
[1] We do not include two observations, discretionary building permit projects with additional administrative approvals, in this timeline calculation. One involved a discretionary building permit and an exception, and the other was a discretionary building permit with an ADU.
[2] We have one additional SB 35 project in this category that does not have an eligibility determination date. Though we know it received a building permit, we cannot include it for timeframe calculations. Each of the observations in this category proceeded through a discretionary approval process before initiating an SB 35 application. Some applications pre-date SB 35's enactment.
[3] This includes two discretionary building permits that received requests for exceptional DR and faced administrative appeals.
[4] Includes CUAs with other processes that typically go to the Zoning Administrator or Planning Commission but not the Board of Supervisors (such as CUA with a Variance, or CUA with a Certificate of Appropriateness).
[5] PUD refers to Planned Unit Development.

Developers report that SB 35 transformed planning approval pathways for affordable development.

Developers described SB 35 as eliminating risk because the law creates certainty in entitlement where none existed before. Some planners reported a steep learning curve at the outset; they shared that major changes like this to planning review are difficult to implement at first—and that early state guidance could help planning staff improve implementation. Developers, however, described San Francisco Planning's implementation of SB 35 as efficient and helpful. The data largely confirms that San Francisco Planning made most SB 35 eligibility determinations quickly and within required timeframes. The outliers represent proposals to develop affordable housing using local discretionary processes, sometimes because the project proponent filed the application before SB 35's passage and/or effective date.

Approval data also shows that state ministerial review allowed for faster processing which facilitated the approval of nearly three times the number of 100% affordable developments in 2018 - 2021 as compared to 2014 - 2017. There were only five 100% affordable developments entitled in 2014 - 2017. In 2018 - 2021 alone, San Francisco approved eighteen 100% affordable developments, and 14 of those developments used SB 35's ministerial process. Because of SB 35, most affordable units approved in 2018 - 2021 came through ministerially approved 100% affordable developments that used State Density Bonus Law. In 2014 - 2017, 74% of affordable units came from mixed income developments. In 2018 - 2021, 62% of all affordable units came from 100% affordable developments.

Figure 3: Distribution of Affordable Units by Development Type



Graphic Developed by Dori Ganetsos using CALES data.

SB 35 does not resolve post-entitlement opposition through appeals.

Affordable developers that have used SB 35 describe several post-entitlement difficulties that extend construction timelines. One difficulty affordable developers describe is that San Francisco's local rules allow project opponents to use the administrative appeals process to delay construction by challenging post-entitlement permits. (We discuss other post-entitlement difficulties below.) Construction activity impacts neighbors, who then may file complaints during the construction process.[55] But some neighborhood organizations escalate their opposition to construction by using administrative appeals to the Board of Appeals, which under local law suspends permit approvals until the appeal is resolved.[56]

2550 Irving Street exemplifies how post-entitlement challenges can delay construction of housing approved under SB 35. 2550 Irving, a 100% affordable development that would provide 90 units of supportive housing,[57] has faced at least two post-entitlement appeals of permits.[58] San Francisco Planning determined the development was SB 35 eligible on August 17, 2022. In November 2022, the Mid-Sunset Neighborhood Association appealed the demolition permit required to demolish a two-story office building because of concerns about toxins. The filing of the appeal suspended the building permit pending resolution. The Board of Appeals heard the

[55] One notable example relates to 78 Haight Street, which will house transitional-aged youth at risk of homelessness. We found three complaints from neighbors about construction logged in PIM so far. A neighborhood organization complains about inadequate notices about this development online, as well (though it characterizes the housing product incorrectly). *78 Haight*, HAYES VALLEY SAFE, https://www.hvsafe.com/78-haight/ (Mar. 17, 2022).

[56] Wherever PIM recorded an administrative appeal of a permit, we captured that in our database. San Francisco's public portal provides incomplete information about appeals and post-entitlement challenges, so we also asked interview participants to provide examples of projects that faced post-entitlement challenges. We then cross-referenced the DBI permitting system to see if we could find more information on the impact of appeals on permits.

[57] Application data indicates that at one point, this project was proposed to offer 98 units.

[58] San Francisco's public portal reports two appeals associated with the demolition permit for this development, both filed on December 5, 2022 (numbers 22-091 and 22-092). The neighborhood association also filed an appeal of the construction permit.

first appeal of the demolition permit on February 22, 2023, and denied the appeal (with a 3-2 split vote). Online records show that DBI reinstated the building permit, months after the initial approval date of October 28, 2022, on March 7, 2023. The same organization also appealed the construction site permit, originally approved on June 26, 2023. This permit was also suspended pending resolution, and on August 16, 2023, the Board of Appeals voted 2-2 on whether to grant the appeal and whether to continue the hearing. Both the appeal and the motion to continue failed as only four of five Commissioners were present. Ahead of both hearings, HCD sent Letters of Technical Assistance to the City and County of San Francisco's Board of Appeals regarding 2550 Irving, informing San Francisco that under state law, the city should not hear administrative appeals on SB 35 approvals.[59]

In related media, the neighborhood organization stated that they want more environmental remediation before construction.[60] The developer and the Mayor's Office of Housing and Community Development pointed to testing, review, and approval from public health and toxic substances agencies. The Chronicle reported that Supervisor Engardio publicly expressed support for 2550 Irving as "much needed [housing that] should not be delayed" though he also believed agencies could better communicate safety assurances to neighbors.[61] During confidential interviews, however, some stakeholders shared that they do not believe the neighborhood association is primarily concerned about environmental hazards; some stakeholders instead believe that the neighborhood opposes the development because of its size and the development's intended residents.

The agenda for the hearing on August 16, 2023, included a ~1,200-page record for this one appeal. During the hearing, Board of Appeals Commissioners disagreed about the effect of SB 35 on their power to review the permit and the appropriate scope of authority for Commissioners to exercise, generally, when deciding a matter that requires technical expertise. The Commissioner remarks during the hearing illustrate several of the ideological divides within local political bodies that stakeholders described during interviews. The public comments from Commissioners, some of which are quoted below, reveal conflicting perspectives on the normative value of state preemption of local power, the appropriate scope of administrative review of the work product from agency personnel with specific technical expertise, and the purpose and function of the Board of Appeals in general.

> Another point I wanted to make is in regard to SB 35 and SB 35 preemption. As one of the public commenters commented tonight . . . since SB 35 was passed several years ago, 2018-2019, **there has been a proliferation of new state level legislation also taking aim at local review processes**. And most have been drafted by San Francisco's own representatives in Sacramento, and those representatives in Sacramento need to know your opinions on these things **because they're doing their darndest to make sure there is no review process anymore, that the planning commission can't hear these items and they're trying to get it so that the Board of Appeals can't hear these items either, and if you believe in local review as I do as a member of this body, it's your duty and your responsibility to let your representatives**

[59] One of the letters is available online. *See* Letter from Shannan West, Hous. Accountability Unit Chief, Cal. Dep't Hous. & Cmty. Dev., to S.F. Bd. of Appeals, City & Cnty of S.F. (Feb. 22, 2022), https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/HAU/SanFrancisco-LOSTA-022223.pdf.
[60] The Chronicle reports on the challenges. *See, e.g.*, J.K. Dineen, *Judge Rules Contested Sunset District Affordable Housing Project Can Proceed*, S.F. CHRON. (Dec. 9, 2021), https://www.sfchronicle.com/sf/article/judge-rules-contested-sunset-district-affordable-16688685.php (unsuccessful attempt to secure an injunction).
[61] *Id*.

know what's at stake here and what this means to you [deep pause] I do think what's going on here goes far beyond the lot lines of 2550 Irving, and I don't necessarily think that even granting this appeal will fix the larger environmental hazards in the Sunset District . . . but I think there is a much bigger picture here in terms of the legal background and what is going on between several different agencies . . . .[62]

I see a distinct difference between that remediation and the permit here that we are here to pass judgment on. . . . We recognize that there is a problem . . . that problem is there is PEC contamination in the Central Sunset particularly around this site, and that needs to be remediated. . . . However, I see a distinct difference between that remediation and the permit we are here to pass judgment upon . . . . The appellant themselves admitted that the construction of this site has no bearing on the issues and levels that will be taking place in the neighborhood. So I see a very bright line between the contamination which needs to be remedied, and the permit that we are here to consider. . . . You know what, this is something that happens to us a lot in different circumstances, usually less dire, usually with a lot less scientific data that we have to parse our way through. When we end up with landlord-tenant issues, we find ourselves with a conflict . . . that needs to be worked out . . . . [I]t is probably best venued in the civil courts . . . but we look not to that issue, but we look to the permit and underlying issues within our jurisdiction . . . . **I see how SB 35 can be very confusing, it can be tedious, it can be difficult, but I have to ask myself do we have grounds under SB 35 to have grounds to appeal this, or overturn this permit, even if we identified it as being material to these issues that were here and I don't think this permit is material to the contamination thing, but even if we did, in this circumstance I don't see a way to get there because the objective standards under the Planning Code . . . are through the Maher ordinance**.[63] DPH has engaged the Maher procedures. They've gone one further for us as a neighborhood association has for them to do and brought in the DTSC because they have more expertise and more resources . . . and so that process that is supposed to take place is ongoing . . . . Let's be clear here, we get nervous sometimes as a board about playing amateur architect. **Right now we're playing scientists and we're playing amateur environmental scientists . . . . [L]et's realize it doesn't have anything to do with the permit in front of us today. I will not move to uphold the appeal**.

I so fundamentally disagree . . . . [P]eople on appeals boards make judgments on experts all the time . . . . And then we had people representing to us that there would be communication, same thing, they made it sound like there was going to be community participation, none occurred . . . . **I think there is an appropriate time to say that the experts got it wrong, or the process was wrong**. . . . I would ask that we continue this [to allow Board of Appeals President to join discussion].[64]

I am not comfortable telling the Sunset residents that they should feel safe, and that is what it really boils down to for me, it is a moral ethical issue for me, and I do and I can take that into account. . . . this body isn't the one that should be hearing this, unfortunately we don't have another body that is more appropriate to hear this . . . . [W]e're attorneys not environmental experts . . . . [T]his shouldn't be litigated in the context of permit appeals . . . . [B]ut we don't have an appropriate forum. . . . [**I]nstead what we have is the Board of Appeals, which for all intents and purposes has become a catch all in many ways and we have taken it upon ourselves in many instances to make consequential decisions and push for consequential**

---

[62] *S.F. Bd. of Appeals: Hearing on Appeal No. 23-034* (Aug. 16, 2023) (statement of Alex Lamberg, Comm'r, Bd. of Appeals), emphasis added.

[63] Commissioner Eppler is referring here to San Francisco Health Code Article 22A that gives the San Francisco Department of Public Health oversight of characterization and mitigation of hazardous substances in soil, soil vapor, and groundwater in the Maher Area identified in the city's Building Code Article 106A.3.2.4.

[64] *S.F. Bd. of Appeals: Hearing on Appeal No. 23-034* (Aug. 16, 2023) (statement of John Trasviña, Comm'r, Bd. of Appeals), emphasis added.

> **change in city policy in city operations in city administration**. And to me this is the most consequential of any the issues we've dealt with since I've been on the board . . . this one takes the cake. There are people's lives at risk here. **And I don't think we should be the body who is imbued with this power, but ultimately our state legislators have ripped away the other layers of review so it can't go to the Planning Commission. It can't go to other commissions. It's here, and we ultimately have de novo review of this, potentially with SB 35 limitations, but you know . . . ultimately legal advice is just that – it's legal advice and we as Commissioners get to make the say.** I obviously don't think we have the votes to grant the appeal here tonight . . . but you know, if there was a time to make a leap of faith, this was the time.[65]

More developments relied on State Density Bonus Law as compared with prior years, but stakeholders disagree about how easy it is to use the state law.

State Density Bonus law allows for developers building residential or mixed-use projects with five or more units to build more housing units than zoning would otherwise allow in exchange for a prescribed number of below-market-rate units. The law provides bonuses in the form of additional density and waivers of some local standards. State Density Bonus Law is a state mandate and the state law may preempt local implementation programs with a bias towards "producing the maximum number of total housing units" under § 65915(r) of the Government Code. The law prohibits cities from applying development standards to a density bonus project that would make it impossible to build at the densities or with the concessions or incentives provided in State Density Bonus Law.[66] San Francisco's Planning Code Section 206 implements State Density Bonus Law and provides two local density bonus programs, the HOME-SF program[67] and the 100% Affordable Housing Bonus Program.[68]

We found that nearly all SB 35-approved developments also relied on State Density Bonus Law. State ministerial review through SB 35 and State Density Bonus Law allowed for ministerially approved 100% affordable developments that were, on average, larger (measured in units) than 100% affordable developments requiring discretionary review. The median project size (measured by units) of all SB 35 developments is 121 units. The mean is 119 units. The median project size (measured by units) of all 100% affordable non-ADU discretionary observations is 13 units. The mean is 53 units. For comparative purposes, the median project size (measured by units) of 100% affordable developments entitled in 2014 - 2017 was 134 units, and the mean was 113 units. The median project size (measured by units) of all non-ADU discretionary observations is 24 units and the mean is 799 units. The two largest developments that exceeded 800 units if built—among the outliers—required discretionary approval.

---

[65] *S.F. Bd. of Appeals: Hearing on Appeal No. 23-034* (Aug. 16, 2023) (statement of Alex Lamberg, Comm'r, Bd. of Appeals), emphasis added.
[66] CAL. GOV'T CODE § 65915(e)(1) (West 2023).
[67] Housing Opportunities Mean Equity – San Francisco Program (HOME-SF), SAN FRANCISCO, CAL., PLAN. CODE § 206.3 (2019).
[68] The 100 Percent Affordable Housing Bonus Program, SAN FRANCISCO, CAL., PLAN. CODE § 206.4 (2018); *see also Affordable Housing Bonus Program (AHBP)*, S.F. PLAN., https://sfplanning.org/ahbp#:~:text=State%20Density%20Bonus%20Law,-In%201979%2C%20the&text=Ten%20percent%20of%20total%20housing,age%20requirements%20for%20older%20persons (last visited Sept. 18, 2023).

Table 6: Median Project Size by Product Type and Approval Pathway

Type	Median Project Size Units	Mean Project Size Units (rounded)	Standard Deviation Project Size Units (rounded)
100% Market-Rate, Discretionary Non-ADU[1] (N=55)	9	78	193
100% Market-Rate, Discretionary ADU (N=16)	6	7	3
Mixed-Income, Discretionary Non-ADU (N=52)	47	84	104
Mixed-Income, Discretionary ADU (N=1)	24	24	—
Mixed-Income, SB 35 (N=2)	**360**	**360**	**127**
100% Affordable, Discretionary Non-ADU (N=4)	13	53	83
100% Affordable, SB 35 (N=14)	**121**	**119**	**59**

[1] This grouping includes two Group Housing Projects and one Student Housing Project.

Thirty-one developments in our 2018 - 2021 dataset used State Density Bonus Law to increase the number of allowable units, and another six developments used the local HOME-SF program (all entitled in 2021). We see a notable increase in projects using density bonus programs in 2021, overall. In total, developments that secured approvals in 2018-2021 relied on density bonus programs more often than the developments entitled in 2014-2017 as well. Only four developments entitled in 2014 - 2017 used any density bonus program.

Also important is that developers used State Density Bonus Law more often than the HOME-SF program. Fifteen SB 35 ministerially approved developments in our 2018 - 2021 dataset all used State Density Bonus Law. The remaining developments that used State Density Bonus Law were discretionary mixed-income developments. At least 13 of the mixed-income developments used State Density Bonus to help meet requirements under the local Inclusionary Housing Program requirements. Five mixed income developments used Home-SF to meet requirements under the local Inclusionary Housing Program requirements as well.

There was no consensus among developers about how easily developers could use State Density Bonus Law in San Francisco.

Some developers expressed that the waivers both help create an appealing and efficient development and increase the likelihood of entitlement, overall. Some developers shared that the city's local rules and guidelines do not apply state law correctly[69] and/or that the city steered them away from using State Density Bonus Law. Developers also reported that the city applies the law so as to increase inclusionary program fee requirements once development size increases. Planners shared that design review can interfere with application of State Density Bonus Law, as political bodies may request reduced heights or removal of floors to projects that qualify for density bonuses. Affordable developers shared their frustrations concerning how planners have to do substantial work to apply different density bonus programs to help 100% affordable housing developments benefit from SB 35 while also securing required waivers. Planners also commented that State Density Bonus Law is complex, and that they (planners) would really benefit from more state guidance on its application. But planners and affordable developers emphasized that ministerial review and State Density Bonus Law were, together, critical to creating opportunities for more affordable housing within San Francisco.

Both developers and planners shared that State Density Bonus Law has been critical to helping developers manage requirements under local rules.

Developers shared that State Density Bonus Law was critical to make development financially feasible. Planners also shared that developers use State Density Bonus Law to facilitate large projects that the Planning Commission might otherwise deny. Planners explained that the city's Large Project Authorization (LPA)—theoretically meant to allow for larger projects and for modifications and waivers—does easily support larger development. Planners perceive that when developers use the modifications and waivers under the LPA, the Planning Commission interprets the project as no longer compliant and covered by the Housing Accountability Act, allowing political bodies to deny approval. Planners report that developers therefore use State Density Bonus Law to make large projects work while also staying covered by the Housing Accountability Act.

One development, outside of our study years, that stakeholders discussed during interviews as illustrative of this issue was **1010 Mission Street**. Planners reported that the developer first sought an LPA for a group housing development which the Planning Commission did not like and denied. The developer then used State Density Bonus Law to get an approval. Cross referencing documents, we found that the developer requested an LPA that was later withdrawn. The developer secured a final entitlement with an Individually Requested State Density Bonus approval and Downtown Project Authorization.

---

[69] Section 206.6 of San Francisco's Planning Code may require revision after the passage of AB 1763, which provides an 80% density bonus, four incentives or concessions, and special parking ratios for 100% affordable housing projects, and AB 2345, which increased the maximum range of the density bonus to 50% for housing projects with 15% very low-income units, 24% lower income units, or 44% moderate income units. *See* CAL. GOV'T CODE §§ 65915(f)(1), (f)(2), (f)(4). AB 2345 also lowers the required percentage of lower income units required to obtain multiple incentives and concessions under § 65915(d)(2). Table 206.6B seems inconsistent with those provisions under state law. San Francisco Planning, however, also issues Bulletins explaining how it applies state law. *See, e.g.,* S.F. PLAN., BULL. NO. 6, IMPLEMENTING THE STATE DENSITY BONUS PROGRAM (Feb. 2023), https://sfplanning.org/sites/default/files/documents/publications/DB_06_Implementing_State_Density.pdf.

Planners also stated that State Density Bonus law is critical to promoting productive dialogue about how to make proposed developments better, because once it becomes clear that the city cannot deny the project (and only after it is clear the city cannot deny the project), the public discourse shifts towards how to improve the design to be sensitive to neighborhood needs. Participants offered **321 Florida Street**, a mixed-used mixed-income development entitled in 2021 that required an LPA but also used State Density Bonus Law, as an example of a how state law helped secure entitlement rather than a project denial. After it was clear the city could not deny the development, planners also reported that the conversation with the community focused on how to improve the design in a manner that did, in fact, improve the aesthetics of the proposed development. Another example participants provided was **1560 Folsom Street**, another large mixed-use mixed-income development entitled in 2021 that required an LPA but also used State Density Bonus Law. The outcome for 1560 Folsom allowed for special sidewalk placards to celebrate the area's local history.

Planners note, however, that State Density Bonus Law, while critical to increasing certainty of entitlement for larger developments, may not produce more efficient and speedy deliberative processes during entitlement. Consistent with this perception, our data shows that the only approvals under State Density Bonus Law that planning department staff issued were those approvals associated with SB 35 projects. All other requests for density bonuses for discretionary projects required approval from San Francisco's Planning Commission. Relatedly, we found some observations with multiple continuances for hearings for joint LPA and State Density Bonus Law approvals, as well.

Our data also shows that while an LPA coupled with a State Density Bonus Law approval may secure approval from the Planning Commission, the approval is still vulnerable to being overturned by the Board of Supervisors if the community perceives the final entitlement outcome to be contrary to neighborhood needs. **2300 Harrison Street** illustrates this issue. This proposed mixed-use building would have added three stories to an existing three-story commercial building and demolished an adjacent parking lot. The development would add ~27,000 square feet of office and retail space on a site occupied by Lyft, along with 24 units of housing, of which three would be deed-restricted affordable. After the Planning Commission approved the development, community organizations appealed the Community Plan Exception under CEQA to the Board of Supervisors. The Board of Supervisors unanimously upheld the appeal. A community group publicly stated that the entitled development represented an exploitation of State Density Bonus Law.[70]

[70] Media reported that the new development would result in ~95,000 square feet of retail/commercial space. We reviewed the project proposal documents, and those documents indicate the proposed development would *add* approximately ~27,000 square feet of commercial space, and 24 units of housing, *to an existing* building that had ~68,000 square feet of office space. *See* Laura Waxmann, *S.F. Supervisors Take United Stance Against Mission Development at Former Lyft Offices*, S.F. BUS. TIMES (Aug 19, 2020), https://www.bizjournals.com/sanfrancisco/news/2020/08/19/sf-supervisors-vote-down-mission-district-office.html.

Table 7: Frequency of Use of Density Bonus (All Programs)[1]

Year (N=Total Approvals/Per Year)	N Density Bonus Used		N State Density Bonus used
2014 (N=24)	0		-
2015 (N=23)	0		-
2016 (N=55)	1		Unknown
2017 (N=38)	3		Unknown
2018 (N=33)	SB 35: 3	Other: 3	5
2019 (N=34)	SB 35: 3	Other: 2	5
2020 (N=25)	SB 35: 5	Other: 2	7
2021 (N=41)	SB 35: 4	Other: 15	16

[1]We do not calculate which density bonus programs (state or local) 2014 - 2017 entitlements used.

Stakeholders also do not agree on whether State Density Bonus Law is good for San Francisco. Market-rate developers shared that State Density Bonus Law has been critical to increasing the feasibility of housing development while also satisfying the local inclusionary program as on-site requirements increased over time.[71] Affordable developers heavily relied on State Density Bonus Law to increase the size of 100% affordable development, which did increase the number of units approved. Some Commissioners and Supervisors also described density bonuses as critical to reaching affordable housing targets.

But some Commissioners and Supervisors expressed concern about how the city's application of State Density Bonus Law might derail community outreach or historic preservation. Some planners shared that implementing State Density Bonus Law was difficult at times and required educating political bodies on where San Francisco retained discretion and where it did not under the law (which was further complicated by San Francisco's context of all permitting being discretionary). Planners also perceived that local political bodies did not like the impact of State

[71] Section 415.3 details the thresholds. Qualifying applications initiated before January 12, 2016, had a 14.5% on-site inclusionary requirement; applications initiated after that date had variable thresholds depending on the project size and a complex scheme of alternatives. Under Section 415.6(a)(1), a development larger than 10 units but smaller than 25 that elected on-site units would have to meet a 12% threshold. Section 415.6 (a)(2) and (a)(3) provided that owner occupied developments of 25 units or more would have to meet a 20% threshold, and rentals developments larger than 25 units would have to meet a 18% threshold. Section Section 415.6(a)(5) also provided for incremental increases beginning in 2018, which would raise the thresholds even higher for developments of 10 – 24 units to 15% and larger developments would increase incrementally each year, but not to exceed 26% for owner occupied developments and 24% for rental developments. SAN FRANCISCO, CAL., PLAN. CODE §§ 415.3, 415.6 (2021).

Density Bonus Law on urban form because it limited subjectivity in design review, or its impact on inclusionary outcomes in terms of the overall yield of on-site affordable units.[72] Consistent with these planner perceptions, some Commissioners and Supervisors did express concern about state law that overrides design considerations.

Local rules complicate application of the Housing Accountability Act.

When discussing the importance of SB 35 and State Density Bonus Law, another important theme emerged. Several stakeholder groups reported that local political bodies do not consistently follow the Housing Accountability Act and deny proposed development covered under state law. Importantly, stakeholders did not describe the Planning Commission as blatantly violating state law but explained that instead, complex local rules make it difficult to determine which local approvals are within the purview of the Housing Accountability Act and which are not. If there is any ambiguity about whether the Housing Accountability Act applies, and a proposed development is at all controversial, that ambiguity leads to a project denial.

Planners emphasized here again the importance of state guidance on how the law changes local processes. When state law does not create a ministerial process (like SB 35) but limits local discretion, state guidance provides clear communication to political bodies and the public how the state law changes local processes. That is critical, planners say, in a local context like San Francisco where at least some within the political bodies and communities interpret local rules as allowing the city to retain the power to deny an approval. If state law significantly limits the right to deny an approval, planners recommend that the state guidance be clear so as to enable staff and Commissioners to say publicly that state law dictates a particular outcome.[73]

Local rules require entitlement processes begin before the application—and navigate multiple hurdles along the way to approval.

Prior to July 1, 2023, the process for entitlement for many multifamily non-ADU and non-SB 35 developments began with a required Preliminary Project Assessment (PPA).[74] The Mayor's Office recently eliminated this hurdle through an Executive Directive, but we explain how this impacted the observations within our dataset.

Under the PPA process, a project proponent was required to complete the PPA before they could submit their project application. San Francisco's PPA process required project proponents to submit significant information about the proposed development. We have 87 observations in our dataset that would have required a PPA application under that local policy. We can verify PPA application dates against source documents for more than half of those, but otherwise rely

[72] Commissioner Diamond on June 1, 2023, expressed concern about the impact of State Density Bonus Law on urban form when questioning whether Supervisor Melgar's proposed legislation to increase density in a west side neighborhood would, in conjunction with State Density Bonus Law, lead to nine-story buildings.

[73] It is important to note, however, that during this research, HCD sent two advisory letters to the city on the impact of SB 35 on post-entitlement administrative appeals, and the limitations that SB 35 placed on San Francisco's ability to hear post-entitlement appeals in the context of an SB 35 approval. San Francisco's Board of Appeals heard both post-entitlement administrative appeals, even though at least one of these letters explicitly stated that SB 35 did not allow for post-entitlement appeals.

[74] San Francisco Planning now provides that it no longer accepts PPAs consistent with the Mayor's Executive Directive issued on February 7, 2023, subsection II.9. OFF. OF THE MAYOR, CITY & CNTY. OF S.F., DIRECTIVE 23-01, HOUSING FOR ALL (Feb. 7, 2023), https://sf.gov/sites/default/files/2023-02/Executive%20Directive%2023-01_Housing%20for%20All.pdf.

on self-reported dates from San Francisco's system. The average time from PPA application to project application was about a year.

Table 8: PPA to Application Timeframes

(months)	Median	Mean	Standard Deviation
PPA to Earliest Application Date	4.96	11.71	21.00

San Francisco Planning, responding to direction from the Mayor's Office, eliminated the PPA process. Still, San Francisco Planning policy mandates a neighborhood notification process before a project proponent files an application, and a pre-application hearing called the "Pre-Application Community Outreach Process" or "Pre-Application Meeting."[75] This pre-application process requires project proponents to send notices and copies of plans to adjacent neighbors and neighborhood organizations *before* applying to develop land for any new construction or alteration that would change an existing structure by 7 vertical feet or 10 horizontal feet. San Francisco Planning compiles the list of neighborhood organizations that project proponents must notify. However, San Francisco Planning does not consistently track pre-application meetings in its public portal.

Stakeholders have differing perspectives on the value of this pre-application meeting process. Some Commissioners and Supervisors referred to the pre-application process as important community outreach. Other stakeholders perceive it as a requirement that assumes conflict exists before a developer has even proposed a development.

Application intake processes were inconsistent with the PSA but improved marginally over time.

The Permit Streamlining Act (PSA) requires cities to provide information to applicants about city requirements for applications to develop housing and sets limits on how long a city can take to determine an application is complete and begin planning review. This state law applies to all discretionary development projects that are quasi-adjudicatory actions (like a variance or conditional use requirement). The PSA also limits the amount of time a city can take to process an application, but the clock begins to run after Planning prepares environmental review documents.

We collected information on application dates, and any notices regarding the status of applications and the dates of those notices, when available on PIM, for 135 discretionary, non-ADU entitlements that we believe did not require a legislative act or development agreement for approval. This list includes more observations than we analyze—or it includes observations we collected some data on that we did not include in our timeline analysis because they were not yet entitled, or they were entitled in 2022 or 2023 .

Of these 135 observations, we found notifications sent to project proponents about their entitlement's application status (inclusive of notices about the incompleteness of their applications) for 75 observations(~56%). Of those 75 observations, we were able to determine

[75] *Pre-Application Meeting*, S.F. PLAN., https://sfplanning.org/resource/pre-application-meeting (July 30, 2023).

an application date and notice of status date for 72 observations. Of those 72 observations, 56 notifications (~78%) were outside of the required 30-day period. Of the 56 (out of 72 observations) that are in our dataset for analysis (observations entitled from 2018 - 2021), 41 notifications (~73%) were outside of the required 30-day period.

This does not mean that San Francisco Planning complied with the PSA in the other 60 instances, only that there is insufficient data to determine compliance or non-compliance with the PSA in half the observations.

We also looked at whether San Francisco Planning improved its project intake and notification processes over time. We have a confirmed application date for 130 out of 135 observations. In all five observations where we could not confirm an application date, we could also not confirm a notice of status date. Of these 130 observations, 65 observations have a confirmed application date after 1/1/2018, and 65 observations have a confirmed application date before 1/1/2018.

Of the 65 observations that have a confirmed application date after 1/1/2018, we found San Francisco Planning sent notifications to project proponents about their entitlement's application status (inclusive of notices about the incompleteness of their applications) for 53 observations (~82%). Of these 53 observations, 37 notifications are dated after the required 30-day period (70%). Of the 65 observations that have a confirmed application date before 1/1/2018, we found notifications sent to project proponents about their entitlement's application status (inclusive of notices about the incompleteness of their applications) for 19 observations (~29%). Of these 19 observations, 19 notifications are dated after the required 30-day period (100%). This suggests that San Francisco improved its application intake and notification process, but only marginally. What is also clear is San Francisco Planning is doing a better job to track the data, which can facilitate internal monitoring of this issue and continued improvement.

Table 9: Analysis of Application Status Notifications

	Application Date Before 1/1/2018 (N=65)	Application Date After 1/1/2018 (N= 65)
Percentage of observations where notice of application status is available	29% (N=19)	82% (N=53)
Percentage of observations where notice, if available, is outside of the required 30-day period	100% (N=19)	70% (N=37)

Planning policy relies on exemptions to comply with CEQA, but local rules require additional studies.

State law provides that if a development approval is discretionary, CEQA applies. With a few exceptions, local law determines whether CEQA applies to classes of housing development by making those housing approvals discretionary. State law, however, allows cities to quicken environmental review for some development. There are statutory exemptions in the California Public Resources Code, and the state's CEQA Guidelines provide for another thirty-three categorical exemptions. For example, a planning department can use the Class 32 infill exemption for an urban infill project to bypass CEQA review if the project satisfies certain conditions. The department must still prepare documentation. But the process is comparatively

faster than more intensive environmental review processes, like an Environmental Impact Report (EIR), within most jurisdictions in the state.

When a project is not categorically exempt, the planning agency conducts an initial study to assess whether there is substantial evidence that the project will have a significant effect on the environment. If it is not clear that the impacts can be mitigated below a significance threshold, a planning agency must prepare an EIR. If there is not substantial evidence of a potentially significant effect on the environment, the agency issues a Negative Declaration (ND). If there is substantial evidence that a project will significantly impact the environment, but the developer can properly mitigate the effects, then the agency issues a Mitigated Negative Declaration (MND).

California law also allows the planning agency to reuse existing EIRs to facilitate "streamlining" some classes of development through the environmental review process. This is called "tiering." Tiering allows the proposed development to satisfy CEQA's requirements by relying on existing EIRs, typically programmatic EIRs associated with a plan, and narrowing the environmental review documents to only those issues that have not been evaluated in a prior EIR that covers the proposed project. Tiering requires a prior environmental review document (generally an EIR) typically connected to a prior large-scale planning approval (usually a General Plan or Specific Plan); however, the source of the document varies. A Community Plan Exemption (CPE), for example, is a tiering-based exemption available to projects consistent with a community plan, General Plan, or zoning. When proposed development satisfies environmental review through tiering, it should theoretically reduce project-level costs for the developer because cities generally pay the costs of the relevant plan- or program-level EIR.[76]

EIRs are uncommon in San Francisco. Most developments benefit from streamlining. San Francisco is like its neighbors in this way, though San Francisco's timeframes are quite different from other neighboring jurisdictions we have studied. One notable change between 2014 - 2017 and 2018 - 2021 is that there are more categorical exemptions in the latter four years. That highlights that San Francisco Planning made a change in planning practice that simplifies and lightens the burden of environmental review for qualifying development—and yet overall, entitlements timelines increased in 2018 - 2021.

[76] Robert Olshansky, *The California Environmental Quality Act and Local Planning*, 62 J. AM. PLAN. ASS'N 313, 319–20 (1996).

Table 10: CEQA Compliance Pathways

Year Entitled and N	Categorical Exemption	Tiering (CPE)	Addendum	MND/ND	EIR	Multiple Pathway	CEQA Unknown*
2014 (N=24)	4%	79%	4%	0%	12%	0%	0%
2015 (N=23)	4%	56%	4%	15%	15%	7%	0%
2016 (N=55)	16%	67%	0%	11%	5%	0%	0%
2017 (N=38)	3%	82%	0%	3%	11%	0%	3%
2018 (N=31)	29%	45%	3%	13%	3%	3%	3%
2019 (N=29)	48%	38%	0%	10%	0%	0%	3%
2020 (N=18)	44%	17%	6%	17%	17%	0%	0%
2021 (N=33)	52%	33%	0%	9%	6%	0%	0%

Although San Francisco uses exemptions and tiering to comply with CEQA, local rules, not state CEQA guidelines, also require developers complete additional studies. Developers and planners in interviews and meetings indicated that local law demands that planning require wind and shadow studies. We collected information on whether San Francisco Planning required additional studies for 100 discretionary, non-ADU observations. We found no information about wind studies in San Francisco's public portal, which is noteworthy because wind studies came up frequently in interviews. Also, we note here that Class 32 infill exemptions require Transportation Demand Management studies.

Out of the 44 observations that satisfied CEQA through a Categorical Exemption, 22 (50%) required additional studies.

- ~18% (N=8) of all observations that benefited from a Categorical Exemption (N=44) also required a Shadow study.
- ~43% (N=19) of all observations that benefited from a Categorical Exemption (N=44) required a Transportation Demand Management study.
- ~11% (N=5) of all observations that used a Categorical Exemption (N=44) required both Shadow and Transportation Demand Management studies.

Out of the 33 observations that satisfy CEQA through a Community Plan Exemption, 24 (72%) required additional studies.

- ~32% (N=11) of all observations that used CPE (N=33) also required a Shadow study.
- ~70% (N=23) of observations that used a CPE (N=33) also required a Transportation Demand Management study.

- ~30% (N=10) of all observations that used a CPE (N=33) required both Shadow and Transportation Demand Management studies.

One observation (out of two) that complied with CEQA through a CEQA Addendum required a Transportation Demand Management study. Neither project required a Shadow Study.

Out of the 12 observations that required a Negative Declaration or Mitigated Negative Declaration, 10 (83%) required additional studies.

- ~33% (N=4) of all observations that required a ND or MND (N=12) required a Shadow Study.
- ~67% (N=8) of all observations that required a ND or MND (N=12) required a Transportation Demand Management study.
- ~17% (N=2) of all observations that used an ND/MND (N=12) to satisfy CEQA required both Shadow and Transportation Demand Management studies.

Out of the six observations that required an Environmental Impact Report, 3 (50%) also required a Shadow Study.

Risk of costly local appeals drives cautious environmental planning practices that limit the impact of the PSA.

In theory, using streamlined environmental review should quicken the planning review process. The PSA sets sixty-day time limits on approving development proposals that qualify for CEQA exemptions and streamlining, once the city makes a determination that the development is exempt from environmental review.[77] But in San Francisco, that is not necessarily true. One possible explanation might be that if environmental determinations always follow other entitlement approvals, using a streamlined environmental review process may have little impact on overall timelines if the other approval steps require more time (though a streamlined process should still reduce costs associated with more intensive environmental planning review).

After reviewing pre-application requirements and notification practices, we explored the data to understand when San Francisco Planning began environmental review and made CEQA determinations. We were able to isolate the environmental review determination or approval date in 95 of our discretionary non-ADU observations. Figures 4 and 5 illustrate what we found: that environmental review determinations almost always happen close to or at the same time as final entitlement decisions under local land use regulation. In 20 of those observations, the environmental determination and approval date is also the latest approval. For the remaining observations in this group, environmental determinations or approvals are often close to the final entitlement date. For 21 (out of 95) observations, the environmental approval date is at most seven days before the final approval date. For 36 (out of 95) observations, the environmental approval date is at most 30 days before the final approval date. For 48 (out of 95) observations, the environmental approval date is at most 60 days before the final approval date. This is important because of the limitations on entitlement review timeframes that the PSA imposes but, as noted, the clock begins to run after Planning prepares environmental review documents, not before. Because environmental determinations occur so close to the end of the entitlement period, the PSA seems to have little effect on overall entitlement timeframes.

[77] CAL. GOV'T CODE § 65950 (West 2023).

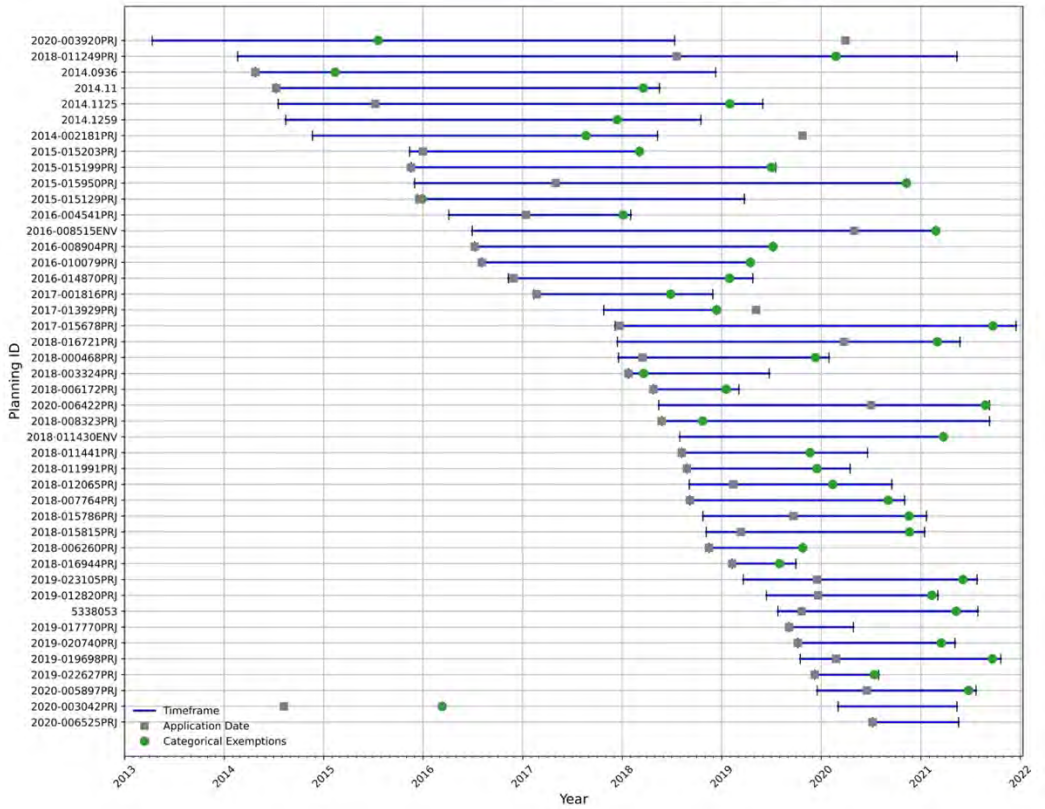


Figure 4: CEQA Milestone Timelines Categorical Exemptions Only (2018 - 2021)

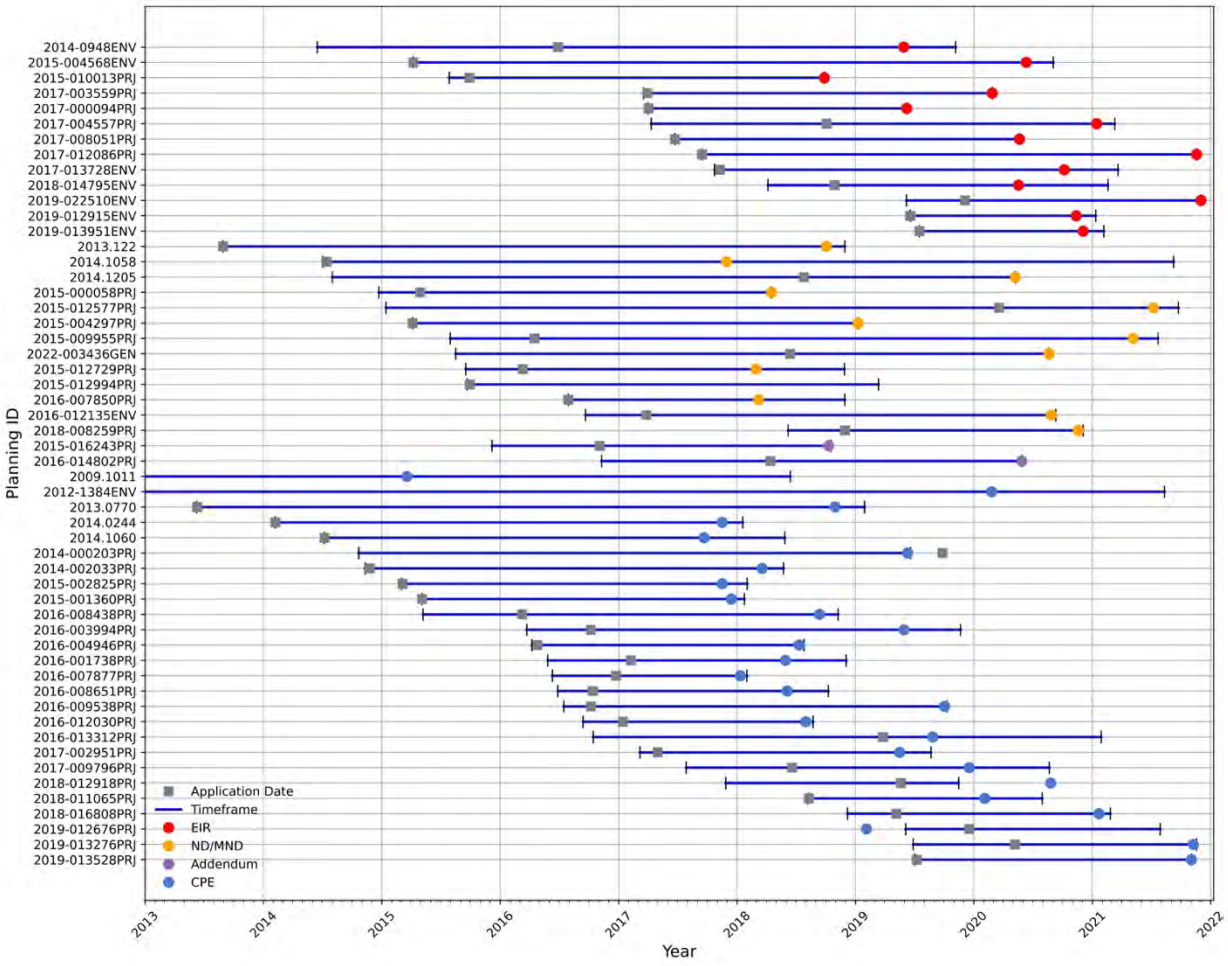


Figure 5: CEQA Milestone Timelines Multiple Pathways (2018 - 2021)

Commissioners, planners, and developers all agreed that CEQA slows approvals, and all—including planners and Commissioners—expressed concerns about CEQA abuse. During interviews and meetings with these stakeholders, we asked why environmental review takes as long as it does, as most development in San Francisco is categorically exempt from environmental review or benefits from a streamlined CEQA process. Developers believe San Francisco Planning is too slow to assign environmental planners to projects. Commissioners believe planners are overly cautious because they fear judicial scrutiny. In contrast, planners from multiple departments shared that there are two features of local rules that extend environmental review: (1) local rules requiring further studies add more work, and (2) administrative appeals, or the risk of administrative appeals, to the Board of Supervisors[78] steers planning practice and influences how long review takes overall.

On the second point, planners elaborated that because it is easy to appeal planning approvals, the risk of appeal influences planning practices. For environmental review, both Commissioners and planners perceive that there is a high risk that project opponents will challenge projects by

[78] State law governs much of the requirements for administrative appeals of CEQA determinations (*see* CAL. PUB. RES. CODE § 21151(c) (West 2023); CAL. CODE REGS. tit. 14, § 15025(b) (West 2023)) but local rules require that the filing deadline for an administrative appeal of a CEQA determination begins to run only after final entitlement decisions under local land use regulation.

challenging environmental determinations. What is most striking about the difference between Commissioner and planner perspectives is that Commissioners believe planners are worried about judges, but planners expressed confidence that their work would survive judicial scrutiny. Instead, planners expressed concerns regarding the Board of Supervisors.

Planners shared that even if most administrative appeals are withdrawn or denied, the beginning of an appeal creates more work for planning staff members managing environmental review. That additional work changes the pace of all environmental planning reviews for all projects because the projects that face an administrative appeal change review priorities. Also important, the experience of the administrative appeal for planners during the administrative appeal hearing influences their approach to work, overall. The risk of an appeal makes planners more conservative and risk-adverse in their work. One notable trend in interviews and meetings with planners was that planners appeared much more apprehensive of the Board of Supervisors than potential litigants. One planner also stated that, when elected, political bodies are highly critical of planning staff work within a public hearing. This can be demoralizing and impacts the department's working culture.

We reviewed our data across 2014 - 2021 to determine the rate of administrative appeal (inclusive of CEQA-related appeals and other appeals). At least 14% of the approvals in our data (2014 - 2021) faced administrative appeals. We say *at least* 14% because we are not certain that we have located all records on local administrative appeals, as the city does not make past records on administrative appeals readily available online. It is also true that most of the appeals we could locate are denied or withdrawn, and most administrative appeals involve challenges to CEQA determinations as well.

San Francisco Planning's environmental planning division also tracks administrative appeals worked on by their team. This log captures appeals of residential and non-residential entitlements. We reviewed their log of staff hours spent on administrative appeals involving CEQA. Twenty out of 48 administrative appeals filed in 2015 - 2021 that San Francisco Planning tracked overlap with our 2014 - 2021 dataset. Of these 20, the internal department data offers information on cost and time for 19 of our observations. Although the other appeals are not for multi-family housing development, planners shared that these appeals also influence how planners work on housing entitlements. Out of the 20 administrative appeals associated with entitlements in the CALES dataset, San Francisco Planning data indicates that 11 (55%) were denied, five (25%) were withdrawn, only one was upheld, and three were closed with no other details.[79]

San Francisco Planning reports that it logged a total of 5,680.75 hours because of all 48 administrative appeals related to CEQA that they tracked from 2015 - 2021. San Francisco Planning logged a total of 3,031.25 additional staff hours to prepare for CEQA-related administrative appeals associated with entitlements in the CALES database. Translating these hours into days, we find that on average, planners add about 20 days of work per year to their workload to deal with CEQA-related administrative appeals for housing entitlements.

[79] This is consistent with what San Francisco Planning reports for all of the administrative appeals.

Table 11: Total Time Spent on All CEQA Appeals 2015-2021 N=48

(days)	Minimum	**Median**	Max.	**Mean**	**Standard Deviation**
Total Time Related to Admin. Appealed	0.56	8.69	71.06	15.11	14.92

Table 12: Total Time Spent on CEQA Appeals 2015-2021 for CALES Observations

(days)	Minimum	**Median**	Max.	**Mean**	**Standard Deviation**
Total Time Related to Admin. Appealed	1.88	12.78	71.06	19.94	18.05

Administrative appeals add costs to the developer in lost time and higher holding costs, but there are also direct costs to the city associated with the work to prepare for an appeal, even if the appeal is withdrawn. San Francisco Planning reported that all administrative appeals related to CEQA cost the city a total of $793,993 in the years where San Francisco tracked the data (2015-2021). Administrative appeals related to CEQA and associated with entitlements in the CALES dataset (2015-2021) cost the city a total of $421,314. One entitlement in our dataset, 1500-1540 Market Street,[80] required 374 additional staff hours and $52,204 in costs to San Francisco Planning to prepare for the appeal—even though the appeal was withdrawn.

Table 13: Total Cost CEQA Appeals 2015-2021 (N=48)

(USD)	Minimum	**Median**	Max.	**Mean**	**Standard Deviation**
Total Cost Related to Admin. Appeals	$535	$10,245	$81,558	$16,893	$16,860

Table 14: Total Cost CEQA Appeals CALES Housing Only (N=19)

(USD)	Minimum	**Median**	Max.	**Mean**	**Standard Deviation**
Total Cost Related to Admin. Appeal	$2,167	$13,741	$81,558	$22,174	$20,501

[80] This is a 100% market-rate mixed-use development that satisfied the inclusionary program with an in-lieu fee.

During interviews and meetings, we also learned that San Francisco Planning has undertaken substantial internal work to address at least some part of this problem by consolidating what is presently six steps in the planning review and permitting into three steps. The aim is to bring the process from application through permitting into one department and facilitate one appeal period for project proponents. It is unclear, however, how these proposed operational changes would address post-entitlement appeals, if at all.

Continuances—possibly meant to avoid later challenges through administrative appeal—are frequent.

According to stakeholders, changes to the proposed development might appear voluntary but result from negotiations outside of hearings facilitated by Planning staff (who are mediating between project proponents and opponents) before a scheduled Planning Commission hearing. The negotiation is meant to facilitate Planning Commission approval, but developers report that what developers end up agreeing to can render a project infeasible. This is another perception that is difficult to verify through government documents, as there would be no written record of negotiations occurring informally before a scheduled hearing. Stakeholders suggested we look for continuances, or a frequency of continuances and multiple hearings, as evidence of this outcome.

We have 93 discretionary, non-ADU observations that required quasi-adjudicative hearings (but not legislative action). All 93 observations have *some* information about hearings, but only about half have complete information about hearings. Still, approximately 22% (N=20) of these observations, inclusive of observations that do not require public hearings under local zoning and planning law, have multiple hearings or continuances associated with a single approval step. One of the entitlements with multiple hearings had multiple hearings related to CEQA approvals. Another two observations were related to density bonus approvals only—one related to the local program and the other to State Density Bonus Law. Nine observations had more than three continuances or hearings for a single approval step. One of these observations (out of nine) is a discretionary building permit project (with no request for exceptional DR), which utilized San Francisco's local density bonus program, HOME-SF, for approval. The two continuances and one hearing for this observation were associated with the approval of the local density bonus program. This building permit project's application date was 3/3/2020, and San Francisco Planning approved it on 5/13/2021. Three observations required five or more hearings for approval. One of these projects had nine continuances for the same approval step. It is also possible that the rate of multiple hearings for a single approval step *might be higher* than what the data currently reveals—as interviews suggest. Our ability to verify these statements against hearing-related data is contingent on San Francisco Planning making the data publicly available.

When we analyze our data overall, we find that the density proposed is greater than density in final approval for 23 observations. Four (out of 23) observations are associated with a continuance. Another two (out of the 23) are associated with an administrative appeal.

Publicly Initiated Exceptional DR occurs frequently and may foster negotiations outside of public hearings.

San Francisco uniquely allows an interested party to request the Planning Commission exercise exceptional DR, which involves the Planning Commission "effectively taking a second look at the proposed project." This occurs even when the zoning and planning code do not require a

hearing in front of the Planning Commission, but where an interested member of the public states there are exceptional or extraordinary circumstances that warrant a public hearing.

There was not a consensus across stakeholder groups on the impact of this policy. Most of the city personnel and Planning Commissioners we spoke to through HCD-led meetings expressed perceptions that the ability to request exceptional DR is primarily, if not almost entirely, associated with disputes between neighbors relating to modifications or smaller developments (like single-family dwellings). These groups did not perceive exceptional DR as a dominant obstacle to multifamily development but as helpful to mediating smaller disputes between neighbors, even if it might take too much of the Planning Commission's time. San Francisco Planning shared their log of staff hours to support exceptional DR hearings between 2014 - 2021. Exceptional DR adds fees to all permits to support this process; the department collects between $750,000 - $1 million per year in permitting fees to support staff time for the exceptional DR process.

When we examine data on the staff hours logged to support exceptional DR, we find that between 2014 – 2021, San Francisco Planning had to allocate ~1,872 full days (8 hours per day) or ~7 business years (262 days at 8 hours per day) to additional work to respond to exceptional DR requests. But only about 4% of those hours were spent on exceptional DR requests associated with the multifamily housing entitlements in our dataset. From the perspective of staff who manage that work, the number of work hours dedicated to addressing exceptional DR hearings, generally, may make the same work for multi-family housing seem minimal compared with the work hours spent addressing all other exceptional DR requests. This may influence staff and Commissioner perceptions of whether DR burdens developers proposing multifamily housing.

But we also found that across almost all participants in confidential research interviews (where HCD was not present), regardless of the stakeholder group, exceptional DR was a dominant issue. The only interview participants that did not to bring up DR were those participants that self-described as only having worked with large-scale phased developments. Interview participants raised the topic of DR as a key obstacle to housing production and described the Planning Code Section 311 neighborhood notification process associated with a discretionary building permit, and potential for a request for DR and related hearing, as an opportunity to oppose entitlement on the eve of approval. Stakeholders described this provision as offering an early "appeal" of a planning approval for smaller or mid-size code compliant buildings. These participants also shared that even the request for DR could result in a change to the project that results in something that is no longer financially feasible to build.

Some stakeholders also shared that opposition comes from different types of neighbors; some are interested in the impacts on their own properties, but others use this process to address neighborhood-level concerns. In the latter context, stakeholders share that frequent project-level adjudications are the consequence of inequitable zoning and planning. The DR provision also came up in interviews when parties discussed the suggested reforms laid out in the recent housing element. Some city personnel that expressed support for proposed rezoning, specifically upzoning in more affluent areas, also predicted that upzoning without eliminating DR in certain neighborhoods would result in project opponents effectively using DR to delay housing development. In terms of its use, there are publicly initiated requests for DR for 19% of the discretionary building permits in our 2018 - 2021 data and 21% in the 2014 - 2017 data—for a combined rate of 20% across eight years for building permits only. We also know that the developments that require exceptional DR take comparatively longer to entitle, as well. The frequency with which exceptional DR comes up for code compliant multi-family housing (relative

to other code compliant multifamily housing) might explain why different stakeholder groups have such different perspectives on the same procedural rule, in terms of its influence on entitlement timelines generally.

In our 2018 - 2021 data, 35% of all variances also had hearings for exceptional DR. There were also another two requests for exceptional DR associated with discretionary ADU observations. One of the requests for exceptional DR was withdrawn. The Planning Commission heard the second request and granted DR. There are an additional two requests associated with approvals that already went before the Planning Commission—but the Planning Commission heard both requests for exceptional DR (and denied them).[81]

During interviews, stakeholders reported that once a party requests DR, Planning Staff (to mediate between the project proponent and the party requesting DR) might verbally ask the developer to change the proposed development to incentivize the party requesting DR to withdraw their request. We cannot verify this through the available entitlement data, however.

We explored the data to find instances of requests for DR being associated with developments that change in size (measured by units) over time. We did come across two proposals to develop five or more units through the local ADU ordinance that resulted in tenant requests for DR, though both would later be withdrawn. The first development that would lead to a tenant request for DR involved a request for five ADUs that required a variance. The Zoning Administrator approved a variance for three units, and a later revised approval document states the proposal changed from five to three units. The request for DR occurred after the variance approval, but before the later revision—though there is nothing that indicates there is a relationship between the request for DR and the later revision to the proposed number of units. In the request for DR, the tenants complain that the approved ADUs would interfere with parking both temporarily and permanently. The tenants also detail an ongoing dispute with the project proponent, their failed attempts to initiate mediation, and their failed efforts to delay final permitting.

Another DR request involved a proposal to build nine ADUs, but a building permit was ultimately issued for just six units. This project involved no special discretionary approval step, so it is even more difficult to determine why the proposal changed over time. The DR documents indicate that the organization that requested exceptional DR initiated the request because of concerns about the impact of the ADUs on parking, and the specific impact on a family with a child with a disability. The request for DR was ultimately withdrawn. Again, there is no data that directly links the reduction from nine to six units to the DR request; the DR request only indicates an ongoing dispute with tenants over parking impacts related to an accessibility and disability issue.

Developers report that design guidelines are vague and invite subjective conditions of approval.

Planners and developers describe design guidelines as highly subjective, allowing for random outcomes, problematic, and wielded as a “weapon.” Many stakeholders report that the design guidelines are not about design; they are about anticipating complaints from neighbors around light, air, “inches or feet” in setbacks, and related features within development that trigger complaints from neighbors, and satisfying neighbors.

[81] One of these observations required a CUA and the other required a zoning map amendment.

Planners shared that although the guidelines are not part of the Planning Code, they are codified in a roundabout way through a cross reference to the Planning Code. For example, Section 311(c)(1) of the Planning Code provides that Residential Design Guidelines shall be used to review plans for all new construction and alterations of existing residential buildings in R Districts. According to the Planning Department, "The Residential Design Guidelines (Guidelines) articulate expectations regarding the character of the built environment and are intended to promote design that will protect neighborhood character, enhancing the attractiveness and quality of life in the City."[82]

Importantly, developments that comply with the Planning Code but do not conform to the Guidelines end up back in deliberative processes, and sometimes back in front of planning staff, even when they have completed planning review and secured entitlement. Planners, developers, and architects note, however, that the subjectivity in the Guidelines makes this an inevitable outcome. Also, in the context of discretionary building permits, the design guidelines raise issues that often lead to requests for exceptional DR as well.

The Guidelines are filled with requirements that on their face allow for subjective interpretation through words like "compatible," "respect," and "character." Examples include, "In areas with a defined visual character, design buildings to be *compatible* with the patterns and architectural features of surrounding buildings." Explanatory text mandates that designers in areas of "mixed visual character" "draw on the *best* features of surrounding buildings" and "design buildings to help define, unify and contribute positively to the existing visual context." *Site Design* guidelines are also often subjective, requiring, for example, that designs "*[r]espect* the topography of the site." Guidelines addressing *Building Scale and Form* intend to ensure design is "*compatible* with that of surrounding buildings." Scale of buildings must be "*compatible*" in terms of height and depth of surrounding buildings, as well as with the "scale at the street" and mid-block open spaces. Building forms, facades, proportions, and rooflines must be "*compatible*" with those of existing buildings.

Cumulative and unique procedural hurdles create comparatively long entitlement timelines.

We explored our 2014 - 2017 data to run a comparative analysis with neighboring cities where we had similar data. Importantly, our 2014 - 2017 dataset indicates that entitlement timelines were generally *shorter* than in 2018 - 2021. Still, 2014 - 2017 timelines were longer than other jurisdictions. We searched our data to match observations from our 2014 - 2017 data with similar entitlements in Oakland, Berkeley, and Redwood City, looking for the best matches across the following characteristics:

- Same neighborhood characteristics (defined by 2019 Tax Credit Allocation Committee maps; we do not match high resource neighborhoods with low resource neighborhoods);
- Either for sale or for rent (in other words, we do not compare for sale developments to for rent developments);
- Around the same size (plus or minus five units). They need to have the same income characteristics (either all market-rate, all mixed-income, or all 100% affordable developments); and

[82] *Residential Design Guidelines*, S.F. PLAN., https://sfplanning.org/resource/residential-design-guidelines (Mar. 4, 2020).

- Similar local process characteristics (we do not compare a code compliant development that also benefited from a CPE with a non-code compliant development that required a conditional use permit or variance but also benefited from a CPE).

We use these criteria based on several assumptions about neighborhood-level politics across all cities. For example, we assume the political context varies across neighborhood types (in terms of income level). We also assume that neighborhood opposition might vary based on project type (for sale condos versus for rent apartments, and affordable versus market-rate). The last criterion (process steps) is the most difficult for us to match because no two study cities have identical regulatory environments. We therefore looked for equivalencies within local processes based on whether a development required special approvals or not.

We were unable to find matches in Berkeley and Redwood City. We found that the average difference between all San Francisco-Oakland pairs is 1,086 days (~3 years). The difference in timelines appeared related to San Francisco's pre-application requirements and exceptional DR process.

Table 15: Comparison of Entitlements Requiring CPEs Oakland-San Francisco 2014 - 2017 data

Address Jurisdiction	Project Size (units) and Type	2019 TCAC Classification	Neighborhood (Name)	Affordability	Compliance with IZ (SF)	Required Local Approvals	Timeframe to Entitlement (days)	Difference in Timeframes [83]
1924 Mission San Francisco	11 units for rent	Low Resource	Mission	Market-Rate (possibly 1 1-bedroom affordable unit)[84]	On-site	Discretionary Code Compliant (Building Permit only)	1,203 days	–
3253 Ettie St. Oakland[85]	9 units for rent	Low Resource	Clawson	Market-Rate	N/A	Discretionary Code Compliant (Design Review only)	348 days	855 days
7540 Macarthur Oakland	11 units for rent	Low Resource	Eastmont Hills	Market-Rate	N/A	Discretionary Code Compliant (Design Review only)	51 days	1,152 days
198 Valencia St. San Francisco	28 units for rent	Low Resource	SoMa	Market-Rate	Unknown	Variance, Public Initiated Discretionary Review	1,302 days	–
3129 Elmwood	30 units for rent	Low Resource	Jingletown	Market-Rate	N/A	Variance, Design Review	150 days	1,152 days

[83] Only populated for Oakland projects. This column shows the many more days it took for the Oakland project to entitle, relative to its matched San Francisco project.
[84] There is an August 2018 One Unit Compliance with Inclusionary Housing Program Affidavit that provides that one of the one-bedroom units would be affordable—but we could not locate a deed restriction in PIM.
[85] It looks like the developer successfully secured excavation, electrical, mechanical, and plumbing building permits post-entitlement in 2018, but those expired in 2019 and 2020.

Address Jurisdiction	Project Size (units) and Type	2019 TCAC Classification	Neighborhood (Name)	Affordability	Compliance with IZ (SF)	Required Local Approvals	Timeframe to Entitlement (days)	Difference in Timeframes [83]
Oakland								
956 63rd St. Oakland	28 units for rent	Low Resource	Paradise Park	Market-Rate	N/A	Variance, Design Review	105 days	1,197 days
645-647 Valencia St, San Francisco	7 units for rent	Moderate Resource	Mission	Market-Rate	N/A	Variance, Public Initiated Discretionary Review	1,435 days	–
4429 Piedmont, Oakland	9 units for rent	Moderate Resource	Piedmont Avenue	Market-Rate	N/A	Variance, Design Review	137 days	1,289 days
2201 Market San Francisco	17 units for rent	Low Resource	Mission	Market-Rate	Fee	Variance, Public Initiated Discretionary Review	1,160 days	–
5325 San Pablo Oakland	17 units for rent	Low Resource	Gaskill	Market-Rate	N/A	Variance, Design Review	287 days	873 days

Stakeholders report that San Francisco's policy emphasizes project-level adjudication to achieve equitable development outcomes, when what the city needs to achieve equitable development outcomes is zoning and planning reform.

The comparatively longer timeframes in San Francisco are associated with processes that illustrate a larger, complex, and recurring theme that dominated several interviews with developers, planners, and affordable housing advocates. From the table above, we pull out the entitlement at 1924 Mission to explain what stakeholders report—San Francisco's current policy attempts to resolve neighborhood-level concerns about inequitable land use development through project-level adjudication rather than more equitable planning and zoning.

1924 Mission Street involved a proposal to construct an 11-unit building with ground-floor retail on a site with an auto body shop. The project proponent submitted a required PPA in March 2014.[86] This pre-application process required submitting an application for assessment with the site plan, floor plan, building elevations, and photographs. This PPA process also required

[86] This is a required process applicable (at the time) to all proposed developments of seven or more units. San Francisco has since modified applicability; it is required for developments of 10 or more units, creation or expansion of group housing using 10,000 square feet or more, and unspecified "other complex projects." *Preliminary Project Assessment (PPA)*, S.F. PLAN., https://sfplanning.org/resource/ppa-application (July 11, 2023).

notice to the neighborhood[87] and a pre-application neighborhood meeting. The pre-application neighborhood meeting is supposed to identify neighborhood grievances and prevent requests for exceptional Discretionary Review.[88] Importantly, developers state that these pre-application processes do *not* achieve that end, and this example is consistent with those perceptions.

The Planning Department issued a Certificate of Determination on April 2, 2015, that the project qualified for a CPE (tiering). According to the Notice of Building Permit Application, the project proponent then applied for discretionary building permits on May 23, 2016.[89] The Planning Department issued the Notice of Building Permit Application on March 20, 2017.

A local neighborhood organization applied for the Planning Commission to take exceptional Discretionary Review on April 19, 2017. The application for exceptional Discretionary Review provided that the neighborhood organization requesting review believed the proposed development was inconsistent with the General Plan's policy priority that "[t]hat existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods."[90] The application for Discretionary Review stated that proposed rents would be high, and expressed concern that "gentrification-inducing design, intended to target higher-end tenants, will create local upward price pressure on surrounding tenants."[91]

Importantly, the neighborhood organization expressed concerns that this proposed development was one of several that created harm in the neighborhood. The applicant noted that the harm was related to "the cumulative impact of this and the other seven projects proposed for the immediate vicinity of Mission St."[92] The request for Discretionary Review asked that the Planning Commission consider the cumulative impacts associated with the proposed development and other developments and "demand this project alter its appearance in order that it comes into line with neighboring buildings on the Mission corridor in a way that better helps 'preserve the cultural and economic diversity' of the corridor and the Mission District."[93]

The Planning Commission heard this request on July 6, 2017. The Planning Commission agreed that there were "extraordinary and exceptional circumstances" that warranted Discretionary Review and that "project refinements were necessary to address concerns over the project's compatibility with the surrounding neighborhood." The Planning Commission conditioned the building permit approval on the following grounds: the ground floor retail space needed to be designated for trade shop use, the project proponent needed to explore providing a mural on one wall, and the project proponent needed to "work with Planning Department staff on refin[ing] the exterior design to provide a stronger relationship to the surrounding context." The Building Department issued a demolition permit to demolish the auto body shop in August

[87] The notice requirements for the Pre-Application Meeting demanded notification to all property owners within a 300 feet radius, all relevant neighborhood organizations, and anyone who requested notice. Meetings may only be held during certain hours, and project proponents must keep a record of all attendees.
[88] The first page of the Pre-Application Meeting Packet logged in PIM provides: "The meeting's intention is to initiate neighbor communication and identify issues and concerns early on; provide the project sponsor the opportunity to address neighbor concerns about the potential impacts of the project prior to submitting an application; and, reduce the number of Discretionary Reviews (DRs) that are filed."
[89] There is no Project Application logged in PIM.
[90] This language comes from the Application for Discretionary Review, page 4, logged in PIM.
[91] Id.
[92] Id.
[93] Id.

2019 and a temporary shoring permit for an empty lot in 2021. DBI's Permit Tracking system seems to indicate review of plans through spring of 2021, but no activity is logged after that.[94] It is also unclear how the final project-specific conditions of approval resolve the larger, neighborhood level concerns about gentrification and displacement raised during this request for exceptional Discretionary Review—which are at least in part related to the city's zoning and planning that dictates where developers may build multi-family housing citywide.

Planners and developers believe San Francisco needs procedural reform that addresses discretionary review, but not all Commissioners and Supervisors agree.

Stakeholders explained that three features of San Francisco's local law invite project-by-project adversarial politics that will prevent San Francisco from meeting housing production targets and equitable housing outcomes: (1) density and use controls that limit development to specific neighborhoods, (2) procedural law and policy that renders all approvals discretionary, and (3) charter provisions that allow project opponents to appeal multiple post-entitlement construction permits.

When discussing SB 35, affordable developers and planners explained the state ministerial process resolved the second issue without touching the first or third. SB 35 may fix planning review for eligible projects, but it cannot fix San Francisco's housing production pipeline because two major impediments to production remain. (SB 35 also only applies because San Francisco has failed to meet its RHNA targets—which is not the city's aim.)

According to planners, developers, and many housing advocates, achieving production targets, affordability, and equity demand long-range planning, rezoning for density in higher opportunity areas in conjunction with a *local* ministerial approval process, and charter reform to limit post-entitlement appeals. Some planners shared that a local ministerial process would have more legitimacy with community members than a state ministerial process; legitimacy that planners perceive as important within San Francisco because of the city's poor track record in prior decades of engaging with certain neighborhoods and low-income communities. But many stakeholders, including planners, shared their belief that current and proposed local procedural reforms, including the Mayor's Housing for All Executive Directive, are insufficient to remove policy constraints on production. According to these stakeholders, current reforms merely "tinker" with the planning code while leaving blanket discretionary review and the administrative appeal process intact. Stakeholders who shared this perspective stated plainly that they think the Mayor's Office can only do so much to fix these issues—the real fix depends on the Board of Supervisors and possibly the electorate. There were a handful of stakeholders who emphasized that the Mayor's Office must lead in addressing problems with permitting and felt entitlement processes were not the problem.

Every stakeholder that shared that San Francisco needs a local ministerial process and charter reform also felt accomplishing either one is politically impossible. Several planners expressed a belief in the need for state intervention—but not necessarily a preference for state intervention. Interview participants across several stakeholder groups emphasized that local processes that require the most reform are intertwined with values and assumptions about what these

[94] It is difficult to ascertain much more than the status of a permit from building permit data.

procedural rules offer in terms of stakeholder engagement, historic and cultural preservation, and ultimately, spatial equity.

Several planners also explained that San Francisco has inadequately engaged community around planning and zoning for decades. There was a consensus among planners that recent efforts by Supervisors to connect with low-income communities around land use still lack sufficient and intentional community engagement. Planners also described a need for the city to mend relationships with community through acknowledgment of and documentation of past harms. Some affordable developers echoed these concepts when they described how some neighborhoods continue to have the city's legacy of racism codified in neighborhood association covenants, conditions, and restrictions (CC&R).

Planning staff and some housing advocates explained that it is not in the city's best interests to keep existing processes as they are if the city's goal is to redress these past harms and increase housing production in an equitable way. But because process requirements are framed as key to stakeholder engagement and participation, planners believe no local political body wants to dismantle them. Process in San Francisco is sacrosanct. Consistent with this perspective from planners, some Commissioners emphasized the importance of engagement, but Commissioners focused on engagement during the project entitlement phase. The difference in how stakeholder groups described the need for community engagement in relationship to planning, zoning, and project development is significant. Planners discussed a need for engagement at larger scales and at the legislative level, to facilitate equitable planning and zoning, not just at the project-level. Commissioners focused on engagement at the project-level.

Interview participants also elaborated and described existing density and use controls and project-level adjudication as reflecting how power over land use is inequitably distributed citywide. Certain neighborhoods wield enough power over political bodies to block changing density and use controls, so no multifamily housing is proposed in the first instance. These constituents who benefit most from the spatial distribution of density and use controls do not need to attend public hearings to block housing development. Developers propose dense multifamily housing (and affordable housing) where housing may be built under zoning and planning standards.[95] That leaves communities in the neighborhoods where zoning allows housing to be built with one primary pathway to access power over land use; they must go through project-level adjudication, or public hearings. Some neighborhoods have built up power over time and can now effectively block all development through project-level adjudication. Other neighborhoods have more recently begun advocating for community needs through project adjudication. Planners also described alliances between wealthy residents and community activists with less money and influence that are working to protect their communities from harm from what they perceive to be the "greedy developer."

Stakeholders explained that project-level adversarial politics may seem responsive to inequitable land use patterns because it allows communities to advocate for what they need, but

[95] These perspectives were consistent with what we discovered in earlier research on San Francisco's zoning, reviewing zoning neighborhood planning between 1921 (beginning with the 1921 San Francisco Building Zone Ordinance, and reviewing 1948, 1979 and 1990 zoning) through the Eastern Neighborhoods Plan adopted in 2009. We found that the entitlements for 5 or more units issued in 2014 - 2017 were concentrated almost entirely in neighborhoods that had zoning for multi-family housing in place since at least 1921 (the Mission) or in neighborhoods that may have been zoned industrial neighborhoods but later rezoned for mixed-use (such as SoMa and Potrero Hill).

this approach fails to change power imbalances or solve for structural inequities. Neighborhoods that have prevented density (through zoning and planning standards) remain unavailable for development. Other neighborhoods feel perpetually burdened. When project opponents from vulnerable neighborhoods cannot stop an approval, they also interpret the entitlement as signaling that political bodies do not care about their neighborhood's needs[96] even though planners state that the opposite is true. Planners believe that the Planning Commission cares very deeply about neighborhood needs. From the perspective of planners, it is because the Commissioners care deeply about neighborhood needs that they slow or block housing approvals.

Planners shared local rules do too little to facilitate meaningful public input into design because the local rules without state intervention lead to just one conversation about how the city may deny the proposed development. Planners perceive that soliciting meaningful community input into design does not happen until political bodies and neighbors accept a project approval is imminent. Only then, according to planners, does the entitlement process facilitate community input to make the design better and prevent unintended harm the neighborhood. But planners report that at present productive dialogue to allow for community input depends entirely on state law that intervenes in local discretion in some way, and that the current local regulatory framework provides an inefficient and slow means to achieve housing production sensitive to neighborhood needs.

Participants in confidential research interviews cautioned that proposals to rezone need to be coupled with local ministerial processes or the rezoning will leave the existing inequities in place. Planners predict that any rezoned neighborhoods that have not welcomed dense housing in the past will use San Francisco's procedural law to block development if rezoning is not coupled with a ministerial approval process. Affordable developers share this perspective. Also, planners believe a local ministerial process would require all parties to pay more attention to the requirements of the code, which would better achieve more predictable and desired housing outcomes. Many planners and housing advocates said that disrupting this structural imbalance of power requires the kind of procedural overhaul that challenges entrenched beliefs about what current discretionary processes offer, which these stakeholders believe makes local procedural reform politically impossible. Planners believe the ideological divide within political bodies limits legislative proposals; planners believe Supervisors are limited to developing legislation that Supervisors believe will get passed,[97] which may or may not result in effective reform. Nonetheless, there was an unequivocal consensus among planners and affordable developers that San Francisco needs major procedural reform because not all neighborhoods welcome affordable housing development.

Although within stakeholder groups there was agreement on these topics, there was no consensus across stakeholder groups on any of these points. Planners and developers (including affordable developers) agree that San Francisco needs substantial local process reform that removes some discretion, but not all Commissioners and Supervisors share this perspective. During meetings with HCD, some Commissioners and Supervisors' perceptions clearly aligned with planners and developers on the relationship between zoning, procedural rules, and substantive standards on development and inequities across neighborhoods. These

[96] During interviews, one development noted as illustrative was 792 Capp Street, which required a Conditional Use Authorization to demolish a single-family dwelling to build four units; the CUA hearing was continued seven times before entitlement.

[97] Supervisor Melgar's public statements during the hearing on June 1, 2023, where she states her recommendations are to help ensure that the Housing Element gets passed, reflect a similar perspective.

participants acknowledged the challenges with existing discretionary review and administrative appeals of post-entitlement permits, and articulated these rules as potential constraints on supply and affordability. These Commissioners and Supervisors explained the difficult tradeoffs political bodies grapple with when developing or amending procedural rules, but they did acknowledge a need for legal reform.

Other Commissioners and Supervisors, however, expressed entirely different perceptions. Some Commissioners and Supervisors emphasized the importance of maintaining discretionary review while proposing that reforms should promote faster, more predictable processes. Some Supervisors characterized San Francisco's political bodies as consistently inclined to approve most proposals for housing and stated that all neighborhoods welcome affordable housing (though they did not distinguish between neighborhood groups responding to proposals to build affordable housing and their own voting records on affordable housing). The perspectives of some Supervisors on the topic of affordable housing sharply contrasted with what both affordable developers and planners shared. Affordable developers stated that many San Francisco neighborhoods do not welcome affordable development and residents are concerned about more units or taller buildings, generally. Affordable developers also perceived the west side of the city as particularly unwelcoming of affordable development.

Some Supervisors also shared their skepticism about the need for market-rate housing supply to address the city's housing issues, and their belief that inadequate funding for subsidized housing was the primary obstacle to addressing the city's housing needs.[98] While affordable developers and planners agreed that more state funding is critical for San Francisco to develop needed affordable housing, affordable developers and planners also called out local policy obstacles to production (including post-entitlement problems). In sum, affordable developers see funding and regulatory reform as both essential to increasing affordable development, whereas some Supervisors critique the latter as an approach to solving the city's housing challenges.

Some Commissioners and Supervisors also expressed deep concerns about state law that they interpreted as punitive, or harmful to local implementation of important aesthetic controls and historic preservation. What also really stood out was the difference between affordable developer and planner perspectives and those of some members of political bodies on the role of state law in accelerating affordable development.

All stakeholder groups report persistent post-entitlement challenges.

During interviews and meetings, *all* stakeholders, ranging from developers, architects, lawyers, and planners, complained of persistent challenges post-entitlement. Some of the dominant concerns related to the lack of uniformity in post-entitlement permitting. These stakeholders perceive that permitting depends on who is assigned to the process rather than on the form or

[98] In the November 15, 2022 hearing on the draft Housing Element, Supervisor Preston, for example, repeatedly stated that the aim of state law is to avoid providing more funding and to instead deregulate market-rate housing as the pathway to increase affordable development. *See S.F. Bd. of Supervisors: Hearing on the Draft Housing Element 2022* (Nov. 15, 2022) (statement of Dean Preston, Supervisor). Supervisor Preston shared these same perspectives in an open letter online, as well. Letter from Dean Preston, Supervisor, S.F. Bd. of Supervisors, to Gustavo Velasquez, Director, Cal. Dep't Hous. & Cmty. Dev. (Aug. 11, 2022), https://56a418ca-94d2-476c-9a45-f491ca4a0387.usrfiles.com/ugd/56a418_6abc98cb39f3429b85a1e3f2fb69fa17.pdf.

requirements of the development. Developers also commented that the system of review, itself, incentivizes extending review timelines. There is also no mechanism to escalate projects to someone with a higher position or a deeper understanding of what the projects require. The fact that there is priority review for affordable development is also negated by the fact that other developers can pay for priority review, so there is no true prioritization in the review process. Developers also shared that the subjectivity in the post-entitlement process can trigger a second stage of planning review even after the development has proceeded to the Department of Building Inspections.

Affordable developers were emphatic that state law, like SB 35, does nothing for post-entitlement challenges. All developers grapple with inadequate interagency coordination during the post-entitlement phase of development that creates duplicative review processes, delays, and inefficiencies. Interviews and meetings also suggest that affordable development may be most impacted. Developers attribute these problems to city departments lacking a production focus, and that no single person or department is sufficiently empowered to monitor the process. One stakeholder described post-entitlement as a “kickball game” with developers going back and forth between departments and personnel. Planners also described problems with permitting processes as at least in part due to a poorly structured operation that lacks adequate policy and transparency, so staff are unaccountable in the way that planning staff are held accountable. Developers shared similar perceptions. Stakeholders describe the lack of an intermediate administrator between DBI and the Building Inspection Commission (an administrator within the city’s executive branch) as a deficiency that contributes to inadequate coordination within and between departments.

Affordable developers shared significant difficulties with utilities processes for affordable development that led to extended periods of no power during and after construction. One developer characterized the San Francisco Public Utilities Commission (SFPUC) power requirements as “crippling” for affordable housing development. All developers expressed frustration with Pacific Gas & Electric (PG&E), generally, with some developers describing PG&E as monopolistic and engaged in “political retribution” with SFPUC by imposing infrastructure improvements or deprioritizing projects that go through the SFPUC. Affordable developers also report challenges with poor inter-agency coordination around meeting accessibility requirements, trouble with satisfying public art requirements, and difficulty meeting local hiring requirements because of labor shortages.

Nearly all participants offered their concerns about current efforts to address challenges with DBI and permitting. One frequent comment was that any directive to improve permitting processes (for example, by shortening permitting timelines) depends on having a baseline to make improvements from, but there is no baseline because there is poor data on permitting and no one has managed to track that information.

Conclusion

We entered this research understanding that San Francisco’s entitlement timeframes were much longer than other jurisdictions. (The state’s Annual Progress Report Data Dashboard would later show that San Francisco self-reported the longest entitlement timeframes across the state.) What remained unclear was *why* retaining discretion over all development creates comparatively longer timeframes in San Francisco. Neighboring jurisdictions in the Bay Area also used discretionary review to approve all multifamily housing as well, but they did not take as long. Oakland, for example, retained discretion over all development of five or more units and

the median timeframe to approval was six months. Redwood City applied discretionary review to similar housing development and required *more* approval steps and the timelines were still shorter. Even entitlement in the City of Berkeley, which requires a use permit for any development, did not take as long as San Francisco. These are findings we could not explain because we did not dive into the details of how different discretionary pathways influenced approval outcomes or timeframes for specific types of multi-family housing.

Our earlier data also made it clear that San Francisco Planning prioritized 100% affordable developments—yet it was also true that affordable development did not move quickly, and the local regulatory environment was not hospitable to affordable housing despite staff efforts to quicken approvals for affordable development. In fact, our interviews from prior years signaled that even as San Francisco Planning prioritized 100% affordable development, local regulation, and local application of environmental review created risk that some affordable developers simply could not manage. Consistent with what interview and meeting participants shared, the 2014 - 2017 housing approvals data revealed there were only five 100% affordable developments entitled in those four years. Nearly three out of every four affordable housing units entitled in 2014 - 2017 depended on mixed-income development, or application of the city's inclusionary program to market-rate housing. It is important to note that before SB 35, increasing affordable housing production depended almost entirely on market-rate developers.

The data we have now, however, offers more insight into what parts of San Francisco's system generate comparatively longer timeframes and why. San Francisco, like so many other cities we have studied, continues to grapple with the consequences of inequitable land use policy from earlier decades. One of the primary tools San Francisco uses to redress past wrongs is process. Thus, like many other cities, San Francisco local law creates a procedural maze for housing entitlement through both zoning and aesthetic regulation. But what the data above tells us is that in San Francisco, the procedural maze is one with walls that move. Provisions within the Business and Tax Code and the city's Charter allow project opponents to repeatedly challenge approvals during and after planning review, and in some instances, impose new conditions of approval. No proposed housing development is immune under local law. This fosters a system of lengthy and repeated negotiations throughout and beyond entitlement.

The state asked whether San Francisco was fully implementing state housing law, and the data indicates that for the most part, the answer is no. This is true despite the diligent work of city personnel to facilitate housing approvals. What came through as a dominant theme in most interviews and meetings with developers was high regard for planning personnel combined with a heightened level of frustration with planning department processes. It was also clear that several Commissioners and Supervisors want to see more housing production, as well.

What exactly about local law blocks full implementation of state law that aims to simplify and quicken process? Stakeholders explained that the same rules which allow for repeated challenge to approvals, including post-entitlement approvals, are what invite subjective conditions of approval and constant negotiation outside of public hearings during the entitlement process. They also report that the risk of administrative appeal to local political bodies drives all planning practice, not just environmental planning practices—although environmental planning is particularly burdened. Though we found that most administrative appeals are withdrawn or denied, we heard that the beginning of an appeal creates more work for planning staff, which in turn changes the pace of all environmental planning review for all projects. All environmental determinations under CEQA occur near the end of the entitlement process (right before or at final entitlement). This practice seems to eviscerate the effects of PSA on timely approvals. If left as is, existing blanket discretionary review and planning practices will likely diminish the

effects of SB 330 as well, which targets excessive continuances and hearings, going forward. That suggests that addressing this problem requires scrutinizing both existing planning practice and the local administrative appeal process. According to most stakeholders we consulted, although many parts of San Francisco's local law need reform, the efficacy of any reform hinges on whether the city can revise its Business and Tax Code and Charter.

San Francisco's application of SB 35 yields the most insight into what legal reforms will likely expedite planning review. SB 35 changed San Francisco's application and intake process for qualifying development. Although the 2018 - 2021 data indicates that San Francisco's application intake process under local law was inconsistent with the PSA, the city regularly complied with SB 35's time constraints on planning review. When discussing what is needed to improve the housing approval pipeline in general, participants in confidential interviews shared that San Francisco needs a local ministerial process that parallels SB 35, to eliminate blanket discretionary review of all permits, thoughtful reform of local administrative appeal processes, and equitable rezoning in low density affluent areas. But no interview participant was optimistic that San Francisco could deliver on these reforms without state intervention in local power.

Also important—there was consensus among several stakeholder groups that communities within San Francisco have been harmed by the city's planning and zoning in the past, but no consensus on how the city should proceed going into the future. There was also no consensus between stakeholder groups, particularly between city staff and city officials, on what housing production would best serve the city's housing needs, on the role of local regulation in enabling or blocking housing production, the role of state law on facilitating housing production, and what the city should do to meet housing need *and* achieve spatial equity.

For example, planners and city personnel discussed the city's RHNA obligations when defining the city's housing problems. Planners described San Francisco land use policy with a wide lens, pulling in developer perspectives, neighborhood needs, and politics when discussing the effects of current policy and planning practice on production outcomes. Also notable, most city staff described how reforms could advance participation goals or spatial justice, but they also described individual policies and planning practices as pieces within a larger system that accounted for law, policy, and cyclical market conditions. Planners and city personnel offered detailed analysis of what is not working that was easy to verify using other data. City staff were clear that local legal reform would be the best solution, but also were not hostile to state laws that addressed some of San Francisco's procedural challenges.

Discussions with members of the political bodies responsible for developing and enacting the local legal reform were very different. All Commissioners and Supervisors agreed that the housing approval process was slow and needed improvement. One Supervisor even went so far as to describe San Francisco's entitlement process as difficult by design. Some Commissioners and Supervisors were also as pragmatic as staff offered robust explanations of how local regulation operates across the city, distinguishing between law and practice and explaining how politics influence planning practice and production outcomes. A few foregrounded specific and precise local legal reforms to support housing production citywide with sensitivity to equity and spatial justice within the city's existing policy framework and current market conditions. Some were deferential to planning staff as experts on what is needed in terms of procedural reform. Some were explicit in their support of program statements in the housing element that call for ministerial processes for at least some development.

But some political participants responded to questions about how policy and planning work within San Francisco with answers focused almost entirely on contributing factors to production

that were outside of the city's purview—like state funding for affordable housing. Some Commissioners focused most on how to improve implementation of the existing rules while retaining discretion in all planning review. There was also a split in how the Commissioners and Supervisors perceived state law, and the housing element process, as well. Some were explicit that they felt the state was penalizing San Francisco through the RHNA process, and that regulatory and practice reform would not resolve the challenges San Francisco is facing.

Thus, what the data also shows is that the primary gatekeepers to local policy reform do not agree with each other or city staff on the scope of San Francisco's housing need or on what the city must to do to meet that need. There is also no agreement on the relative importance of local regulation in creating, perpetuating, or ameliorating the city's housing problems.

Appendix A: Regression Supplement With Methods

In earlier writing, we found that longer timeframes within a city were not necessarily associated with more approval steps on average. But our analysis compared median timeframes and average local steps to entitlement in one city to another city. We did not explore the potential relationship between timeframes and local steps to entitlement in any single case study city. This analysis, within San Francisco only, is important because at least some procedural reform proposals assume that reducing steps to approval while maintaining discretionary review will shorten timeframes. At the same time, stakeholders describe San Francisco's regulations as creating variability and uncertainty in the approval process, even when a proposed development has few steps to approval.

Generally, within a single city, even if entitlement takes a long time overall, we expect that more approval steps extend timeframes. Theoretically, if a development conforms to existing planning and zoning and requires no local-level approvals, it should take less time than a development that requires one or more special approvals to secure entitlement. San Francisco's local law does provide for dense residential buildings in some neighborhoods, without any special approvals. San Francisco's law also allows dense residential housing in other neighborhoods but with required special approvals. For example, development over a specific height threshold in some areas requires a Conditional Use Authorization or Large Project Authorization. If the local law is operating as we think it should, planning review might take longer when a development requires a Conditional Use Authorization before a building permit than if the development requires only a building permit. Finally, when a property owner proposes development that requires a rezoning or General Plan Amendment, it might take even longer than a project requiring a Conditional Use Authorization because what the developer is proposing is not provided for in existing planning and zoning.

But what we have heard within interviews so far is that this is not how local planning and zoning operates in practice. Most stakeholders described a process where neighbors may oppose any proposed development in any context, and planners are placed in a position of mediating disputes. Because of this, the time to entitlement (and certainty of approval) is unpredictable for all development subject to discretionary review, whether a project conforms to the local planning and zoning or not.

Stakeholders describe informal and formal pre-application processes for initial outreach and meetings to help planners, and the property owners anticipate neighborhood reaction and adjust a proposed development before proceeding through the entitlement application process. They also described a process where planners worked to mediate and resolve potential conflicts before proposals went in front of approval bodies (like the Planning Commission).

But stakeholders also note that although a property owner may begin negotiations with neighbors before the application (and in cases where the Planning Department requires a Preliminary Project Assessment, sometimes before that process), and continue negotiations throughout planning review, project opposition may not manifest until late in the process. They emphasized that smaller buildings are most vulnerable. Therefore, no matter what work the planners and property owners put into anticipating and mediating disputes over proposed projects, the process allows the risk of opposition for new, sometimes unpredictable, reasons to remain. Because opposition can emerge at any time, stakeholders say this makes the timeframes and approval outcomes uncertain.

These statements suggest that we should explore the entitlement data to see if entitlement for code compliant development is associated with shorter timeframes as compared with entitlement that requires special approvals or deviates from planning and zoning. Theoretically, code-consistent development should always move faster. One way we do this is to explore relationships between local steps to entitlement and timeframe to entitlement. If longer timeframes are associated with more approval steps, then policy proposals that focus on eliminating or consolidating approval process steps to expedite housing approvals should help shorten timeframes. But if more approval steps are not associated with longer timeframes, this means that something else is occurring to lengthen timeframes. If that is true, reducing the number of discretionary approval steps, alone, may not resolve the uncertainty and unpredictability stakeholders describe. **Although analyzing our entitlement dataset using regression cannot "prove" or "disprove" what stakeholders have shared, this additional analysis allows us to use more than one method and multiple data points for insights, which is more reliable than relying on only one method or data point.**

We chose to run linear regression models, rather than probability models, because we are interested in understanding what drives project timeframes in San Francisco—not necessarily what drives extreme delays within the context of San Francisco's regulatory environment. If we used a probability model, we would need to generate a binary variable as the dependent variable in our analysis. This variable would distinguish observations that are delayed (in terms of the project timeframe). San Francisco's extraordinarily long entitlement timeframes make this very difficult. For example, generating a binary cutoff for delayed timeframes at the median would lead to a cutoff of 39 months. That means we would be defining observations with incredibly long timeframes as "not delayed" because they were below this median, and then using the probability model to see whether certain factors generate delays beyond 39 months. Since most discretionary projects in San Francisco are delayed, even if they are delayed for less than 39 months, a probability model with a binary dependent variable is not best suited for our analysis. Also, that model would ignore project factors that are associated with two- or three-year timeframes because it would classify these projects as "not delayed."

Regression Analysis Using 2018 – 2021 Data (OLS Models)

We first analyze the existing associations between local land use approvals[99] required for entitlement in 2018 - 2021 and project timeframes using a multivariable, Ordinary Least Squares Regression (OLS). First, we ran a simple, OLS regression using local land use approval steps as the single independent variable, and timeframes as the dependent variable.

We used the statsmodel Python module to run all regressions in this analysis. We calculated all regression coefficients with robust standard errors (Errors of Order 3 (HC3)) to account for the existence of outliers and other issues within the data such as heteroskedasticity (variation in regression errors across our observations) and provide a small sample correction. Note that if we did not use robust standard errors with a small sample and clustered observation correction, the standard errors of our estimates would be smaller, so the standard errors and subsequent hypothesis testing are conservative.[100]

We observe a positive association between approval steps and timeframes. Interpreting the results of this simple regression, an additional approval step is associated with approximately a four-month increase in timeframes. While this positive association exists, our data suggests that observations with little to no local land use steps can take a long time. From this simple regression, we expect a development requiring a discretionary building permit only to take 32 months. Further, out of the 64 observations with less than a single local land use approval step, 23 observations (~36%) are above the mean (~38.6 months) and 26 observations (~41%) are above the median (~34.9 months) timeframe in San Francisco. While this positive association exists, timeframes are variable, regardless of the number of approval steps.

Even if such a relationship between local land use approval steps and timeframes exists, the magnitude of the relationship is, arguably, small. Meaning, the impact of approval steps on timeframes is small. From this simple regression, an additional approval step is associated with an additional ~3.7 months for approval. Given that the mean timeframe for all 111 observations is ~38.56 months, the impact of an additional approval step on timeframes is minimal.

[99] We define local land use approval steps as any discrete approval step required for entitlement under local law, not including the California Environmental Quality Act (CEQA) compliance pathway step.
[100] In regression analysis, the errors are defined by the difference between the observed values of the dependent variable (in this case, project timeframes) and values predicted by the regression specification. Accurate estimation of the uncertainty of OLS-predicted values generally depends on constant errors across observations. However, in this study, we do not assume that error is constant (homoscedasticity). For instance, model error might be larger for observations with substantially longer timeframes (i.e., where projects take two to three times longer than the median timeframe). When we use robust standard errors, we no longer assume that errors are constant across all observations, which can mitigate the impacts of this regression analysis being based on observational data. Further, we are using a small sample correction to mitigate the fact that our universe of observations is relatively narrow and to account for the natural clustering in timeframes that occurs at each local land use approval step.

Figure 6: Regression 2018 - 2021 Observations (No Controls)

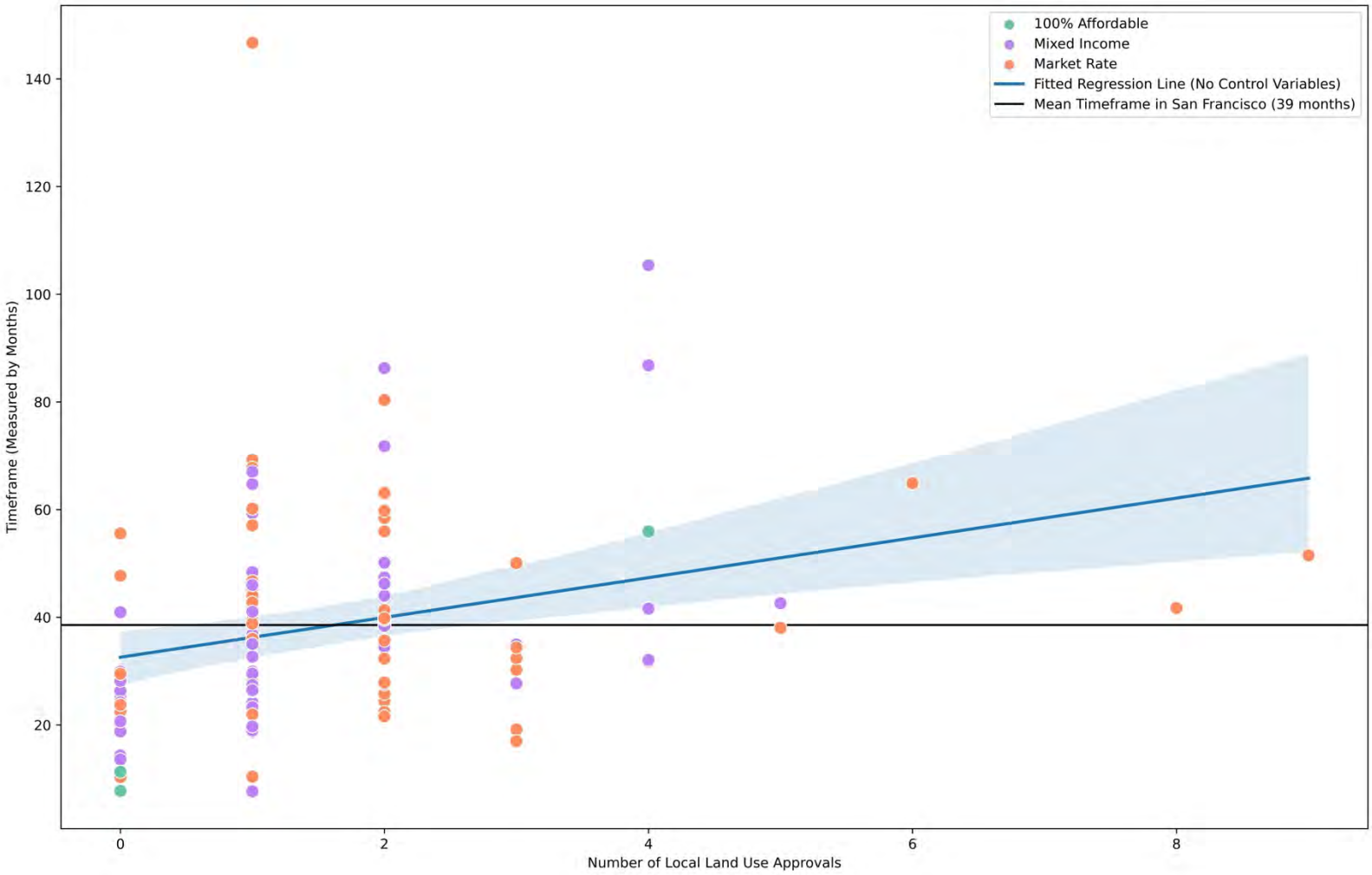


Figure 6 depicts the simple regression of time frames on local land use approval steps. In this graph, the translucent bounds represent the confidence interval for the regression line. Several observations, however, fall outside the bounds of the confidence interval for the regression line. The confidence interval indicates the uncertainty in our regression estimates. This uncertainty could suggest model misspecification.[101] More specifically, the number of approval steps does not adequately capture the variation in project timeframes. **This model misspecification could suggest that there are unaccounted variables that influence the existing relationship between the number of approval steps and timeframes.**

[101] A large confidence interval is also often a function of sample size. In other words, because of a limited amount of data, our regression estimates are uncertain. However, we capture a complete dataset of all discretionary, non-ADU entitlements greater than five or more units in 2018 - 2021. Because of this, we are not making statistical inferences based on a sample, but rather generating quantitative analysis on an entire population (and interpreting our results within the context of this population only). Therefore, theoretically, there is no statistical uncertainty through sampling uncertainty.

We controlled for project characteristics that based on interviews and meetings we assumed might influence the relationship between timeframes and the number of local land use approvals. One such example is affordability thresholds. We heard from planners, Commissioners, and Supervisors that the city wants to prioritize 100% affordable development. To control for affordability, we placed the 111 observations into three categories: market-rate, mixed-income, and 100% affordable. To avoid perfect multicollinearity, we did not include the indicator variable which controls for observations that are market-rate. However, due to the model specification, we are still controlling for all affordability classifications in our regression. Below is the distribution of all 111 discretionary observations, by affordability classification:

1) Market-Rate **(N=55)**
2) Mixed-Income **(N=52)**
3) 100% Affordable **(N=4)**

We also controlled for local process characteristics related to the intensity of the approval process—which is distinct from whether an approval process requires more steps. What we are referring to here is how a project proponent may seek only a Variance, or only a Conditional Use Authorization (CUA), or only a Large Project Authorization—and each may require one approval step, but these approval processes are quite different in terms of what we describe as process intensity. A Variance in San Francisco usually requires approval from the Zoning Administrator without a public hearing (though the public may request a public hearing in front of the Planning Commission through the exceptional Discretionary Review process). A Conditional Use Authorization and Large Project Authorization always requires a hearing in front of the Planning Commission. Interviews reveal, however, that the Planning Commissioners interpret the Housing Accountability Act as not applicable to Large Project Authorizations—and that they have the discretion to deny the Large Project Authorization.

Therefore, we wanted to explore whether the *type* of approval process—not necessarily the number of local land use approval steps—is what influences increases in timeframes. We identified five distinct process categories: Discretionary Building Permit, Variance, CUA & PUD, Large Project Authorizations and Downtown Project Authorizations, and Legislative Actions. We want to explore whether observations with a more intense process are associated with longer timeframes and, theoretically, more approval steps. Below is the distribution of all 111 discretionary observations, by process category:

1) Discretionary Building Permit (**N=23)**: The building permit category represents a group of observations that are only discretionary by virtue of the Business & Tax Code provision that renders all government approvals discretionary.

2) Variance Only (**N=17**): These are observations that required a variance for approval. The observations do not require any Conditional Use Authorizations, Large Project Exceptions, or Legislative Actions.

3) CUA & PUD (**N=49**): These are observations that required a Conditional Use Authorization or Planned Unit Development (PUD) Approval. The observations do not require any Large Project Exceptions or Legislative Actions.

4) Large Project Authorizations and Downtown Project Authorizations **(N=15)**: These are observations that required either a Downtown Project Authorization or Large Project Authorization. Interviews and meetings indicate that Large Projects face significant hurdles—because they are disfavored. The issue here though is that these large projects may only require one step, and they theoretically seem to be no different than a CUA if we only consider the process in terms of both the number of approval steps and the approval body. However, the procedural step allows for waivers or exceptions to allow for a large project under the planning code. Though these do not appear to require legislative action, interviews suggest that the Planning Commission eschews these approvals, believes that they are not covered by the Housing Accountability Act, and will deny these approvals. That the Planning Commission interprets the Housing Accountability Act as not applying to the LPAs is something planners dispute, as they think this is a faulty interpretation of state law.

5) Legislative Actions (**N=7**): These are observations that required a local legislative act (Planning Code Amendment, Zoning Map Amendment, General Plan Amendment, or Development Agreement) for approval.

To assess the impact of process intensity on approval steps, we translated process intensity and incremental numeric ranking in the following order: Discretionary Building Permit (least intense), Variance Only, CUA & PUD, Large Project Authorizations and Downtown Project Authorizations (referred to collectively as Exceptions), Legislative Actions (most intense). After running a simple regression of the number of approval steps on this numeric ranking, we find increasing process intensity is associated with an increase of one approval step (rounded).[102] A project that requires a local legislative act or a development agreement for approval is expected to have three to four more approval steps than a discretionary building permit project. This makes sense, as Development Agreements are often associated with proposals that require multiple approvals. This association is statistically significant at the 1% level. While process intensity and the number of local land use approval steps are related, they are not multicollinear. The correlation coefficient between the numeric translation between process intensity and local land use approval steps is 0.63. In an additional section of this report, we run a correlation heatmap between all independent variables to identify any possible sources of multicollinearity.

We also calculate the variation in the number of approval steps for all process categories. Below is a table that breaks out the quantile distribution of approval steps, by process intensity.

[102] The slope coefficient in the simple regression 0.856.

Table 16: Variation in Number of Approval Steps, by Process Categories, Non-ADU Discretionary Observations 2018 - 2021 (N=111)

Process Categorization	Min. Steps	25th Percentile Steps	**Median Steps**	75th Percentile Steps	Max. Steps	**Mean Steps**	Standard Steps
Discretionary Building Permit (N=23)[103]	0	0	**0**	0	2	0.13	0.46
Variance (N=17)[104]	1	1	**1**	1	3	1.29	0.59
CUA & PUD (N=49)[105]	1	1	**2**	2	4	1.96	0.96
Exceptions (N=15)[106]	1	1	**1**	2	5	1.60	1.12
Legislative Acts (N=7)[107]	1	3	**5**	7	9	5	2.94

We highlight this variation to show that process categorizations are not just a categorical grouping of the number of local land use approval steps. For instance, all process categorizations have observations that require a single approval step. However, an observation that requires only a variance is significantly different from an observation that requires only a Large Project Exception. It is because these single approval step processes are so different that we control for process in our analysis.

Finally, we also control for project size and whether the observation was in a vulnerable area. Interviews suggest that larger projects are disfavored. We control for project size (instead of just an LPA or DPA) because some proposed developments benefit from State Density Bonus Law, increasing their size, but they do not necessarily require an LPA or DPA (which is determined in part by location as well). Lastly, we control for location within a priority equity geography because interviews suggest political bodies are sensitive to proposals to build in these areas. These project and neighborhood characteristics can also impact the relationship between local land use approval steps and timeframes.

We completed several regression models to explore whether there is a relationship between number of approval steps and timeframes. Or in other words, does increasing the number of required approval steps create longer entitlement timeframes? **The regression models show that when we control for affordability characteristics, project size, location within a vulnerable geographic area, and intensity of the approval process, there is no**

[103] Out of the 23 discretionary building permit observations, one observation had an additional administrative approval. Another observation required an additional administrative approval and a Certificate of Appropriateness for approval.
[104] There are 13 observations that require only one step or only a variance for approval.
[105] There are 18 observations that require only one step, or only a CUA or PUD for approval.
[106] There are 10 observations that require only one step, or an exception (Downtown Project Authorization or Large Project Authorization) for approval.
[107] There is one observation that required only a legislative act for approval.

statistically significant association between the number of approval steps and timeframes.

This outcome supports what stakeholders say to be true in San Francisco—factors outside of law influence timeframes, and there is a lot of uncertainty of how entitlement will unfold in San Francisco no matter what a developer proposes to build. This outcome does not prove that there is no causal relationship between timeframes and approval steps; we cannot account for all confounding variables that influence this relationship. OLS identifies associations within our data only. And we are using observational data, as well. Thus, the data and methods do not allow us to prove or disprove that there is no relationship between number of approval steps and timeframes. **But importantly, the regression findings are consistent with what descriptive statistics and interviews both show—there is no easy entitlement pathway in San Francisco, and factors outside of law appear to influence entitlement outcomes. This tells us that reforms that focus on simplifying discretionary review by reducing the number of steps to approval may be insufficient to address uncertainty and lengthy timeframes to approval.**

Discretionary Non-ADU Observations 2018 - 2021 with Controls

Table 17 below shows the association between local land use approval steps and timeframes was numerically smaller and no longer statistically significant after we controlled for affordability, process intensity, and project size. These results indicate that there are factors outside of what the planning and zoning law requires of developers that strongly affect the relationship between approval steps and timeframes.

What Table 17 illustrates is that project size may impact the relationship between approval steps and timeframes in our dataset. When controlling for number of approval steps to understand the relationship between project size and timeframes, an additional unit increase in project size is associated with a 0.021 month increase in timeframes. This relationship is statistically significant at the 5% level.

Another factor that may impact the relationship between approval steps and timeframes is the intensity of the process. An observation requiring a variance or CUA/PUD is associated with an increase in timeframes, relative to a discretionary building permit observation. This relationship is diminished (in terms of significance) but is still present when we add controls. Further, an approval requiring a Large Project Authorization is associated with an increase in timeframes, relative to a discretionary building permit observation—but this association is no longer statistically significant when we add all controls (including project size).

Table 17: All Discretionary Non-ADU Observations 2018 - 2021

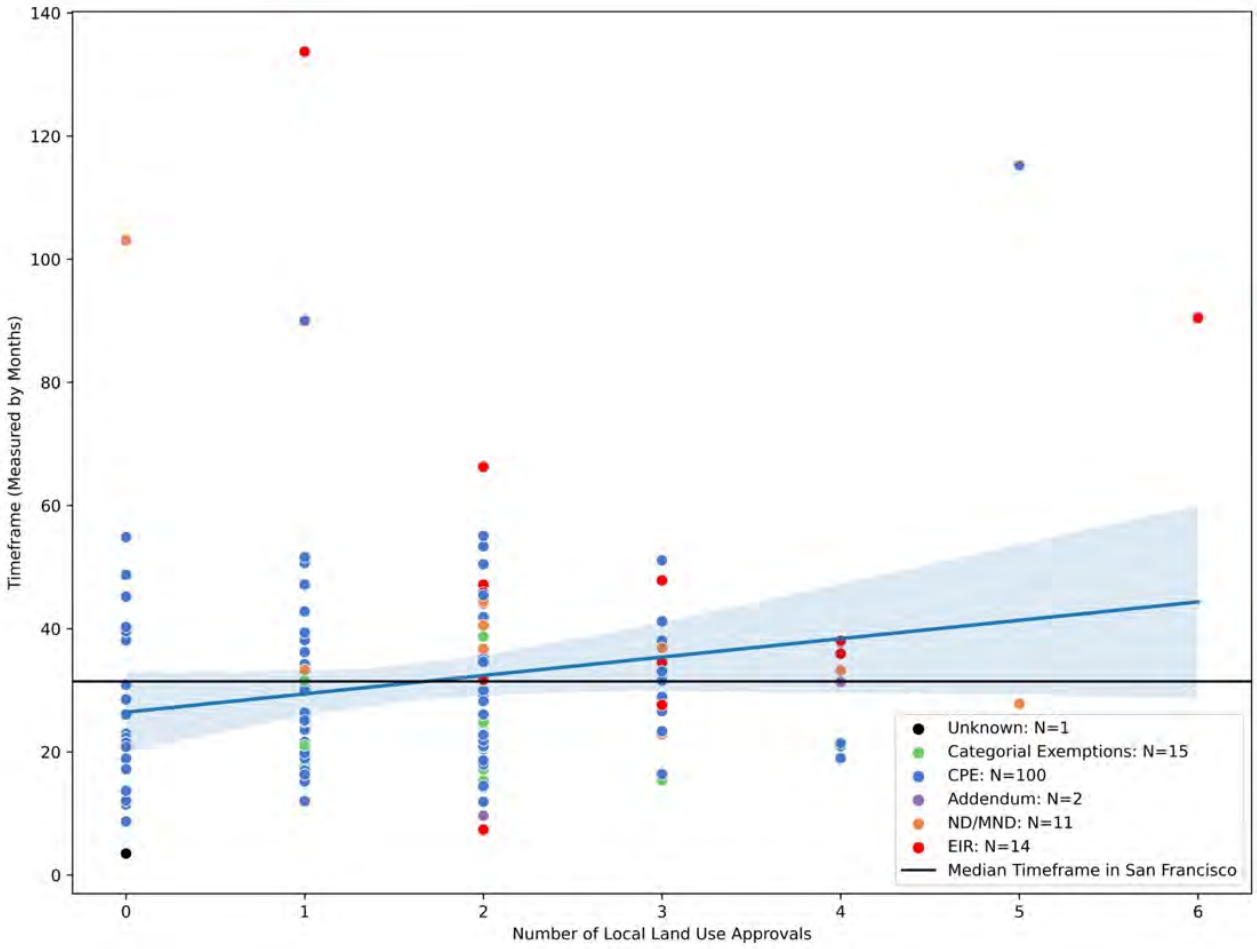
Variables	No Controls	Affordability Controls	Neighborhood Controls	Size Controls	Process Controls	All Controls
Dependent Variable: Timeframe (denoted in months)						
Num. Approvals	3.693***	3.681***	3.743***	2.794**	2.761*	2.360
	(1.244)	(1.353)	(1.260)	(1.117)	(1.637)	(1.755)
Market-rate		12.706				4.160
		(9.493)				(8.372)
Mixed Income		12.934				6.833
		(9.242)				(8.970)
Vulnerable Area			1.584			1.307
			(3.860)			(4.331)
Project Size				0.021**		0.028**
				(0.011)		(0.013)
Variance					19.468**	20.488**
					(8.799)	(9.149)
CUA & PUD					12.286***	11.115**
					(4.092)	(4.547)
Exceptions					9.987*	6.653
					(5.317)	(6.152)
Legis. Acts					6.467	0.558
					(9.207)	(11.431)
Constant	32.580***	20.246**	31.714***	32.369***	23.930***	17.656**
	(2.653)	(8.889)	(2.854)	(2.587)	(2.567)	(7.260)
Observations	111	111	111	111	111	111
R-squared	0.075	0.088	0.076	0.094	0.157	0.197
Adj. R-Squared	0.066	0.063	0.059	0.077	0.117	0.126

Notes: *** indicates coefficient is significant at the 1% level. ** indicates coefficient is significant at the 5% level. * indicates coefficient is significant at the 10% percent level. Table presents robust standard errors in parentheses.

Regression Analysis Using 2014 - 2017 Data

After running a simple regression on approval steps and timeframes using the 2014 - 2017 dataset, we find a positive association between approval steps and timeframes. This association is not statistically significant. In terms of magnitude, the association between local land use approval steps within the 2014 - 2017 dataset is weaker than in the 2018 - 2021 dataset.

Figure 7: Ordinary Least Squares Regression 2014 - 2017 Observations (N=140)



We also run our regressions on observations that received a Community Plan Exemption (N=100).
We did this to further explore whether local approval steps impact timeframes for projects that satisfy CEQA in the same way.

Table 18: Regression Using 100 CPE Observations 2014 - 2017

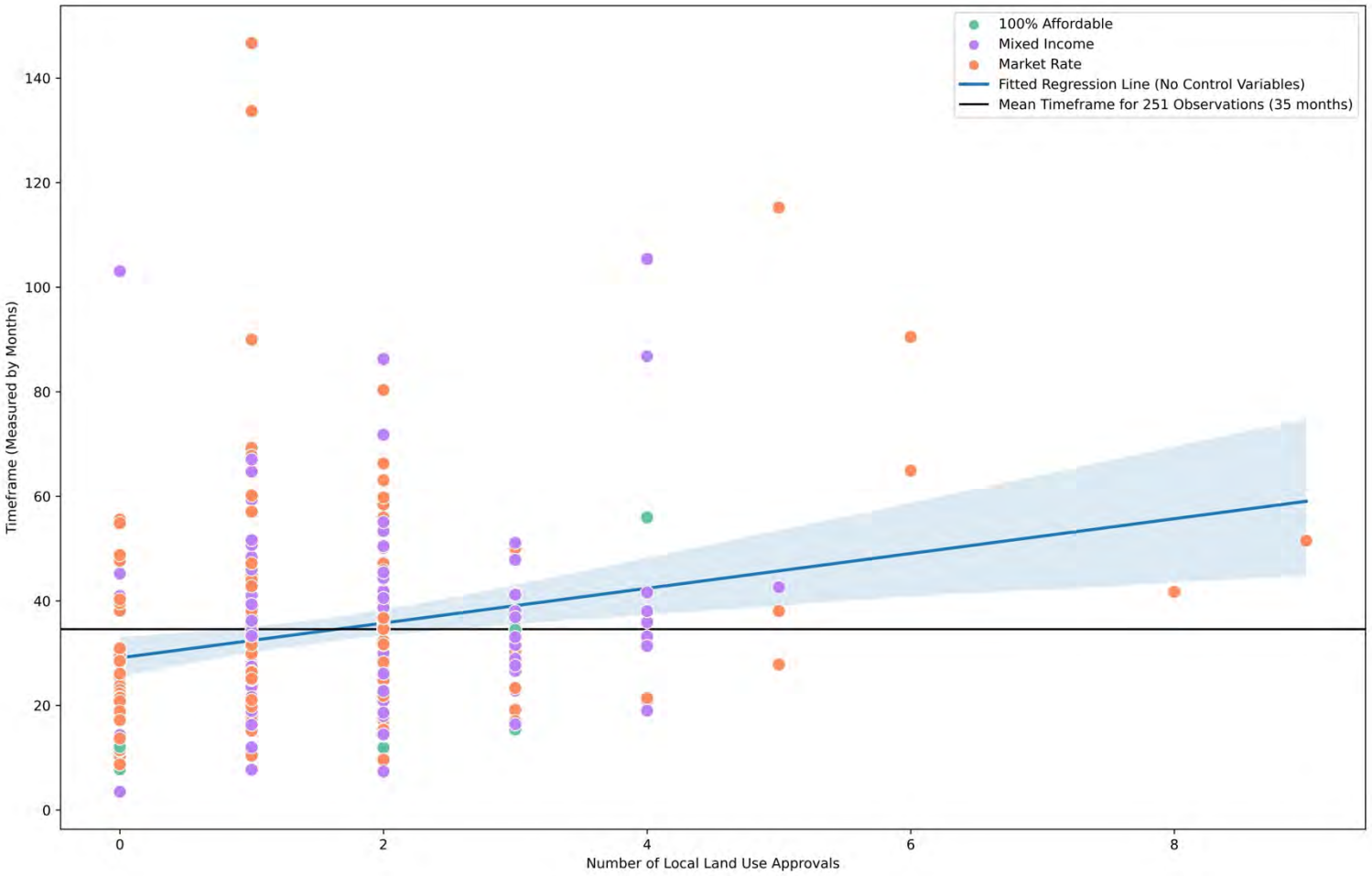
Variables	No Controls	Affordability Controls	Neighborhood Controls	Size Controls	Process Controls	All Controls
Dependent Variable: Timeframe (denoted in months)						
Num. Approvals	3.295	3.521	3.009	4.097	4.062	2.515
	(2.740)	(3.802)	(2.731)	(2.615)	(7.615)	(6.105)
Market-rate		15.159***				22.226
		(5.177)				(19.833)
Mixed Income		12.443*				23.791
		(6.614)				(19.983)
Vulnerable Area			-2.478			-1.423
			(3.184)			(3.265)
Project Size				-0.019		0.002
				(0.022)		(0.028)
Variance					4.305	3.071
					(9.589)	(9.902)
CUA & PUD					-5.188	-6.306
					(10.667)	(10.416)
Exceptions					-4.053	-3.885
					(19.060)	(17.804)
Legis. Acts					10.918	20.784
					(34.670)	(35.476)
Constant	24.966***	11.406**	26.813***	25.232***	25.700***	6.351
	(3.513)	(5.124)	(4.363)	(3.667)	(2.779)	(19.031)
Observations	100	100	100	100	100	100
R-squared	0.055	0.086	0.061	0.061	0.119	0.196
Adj. R-Squared	0.046	0.057	0.042	0.042	0.072	0.092

Notes: *** indicates coefficient is significant at the 1% level. ** indicates coefficient is significant at the 5% level. * indicates coefficient is significant at the 10% percent level. Table presents robust standard errors in parentheses.

Regressions Using 2014 - 2021 Data

We ran our regression models on the entire 2014 - 2021 dataset. We find no differences in our main findings above. Figure 3 depicts the simple regression of time frames on local land use approval steps. We found a positive association between number of approval steps and timeframes that is statistically significant. In this graph, the translucent bounds represent the confidence interval for the regression line. As was true in the regression of 2018 - 2021 data only, several observations fall outside the bounds of the confidence interval for the regression line. The confidence interval indicates the uncertainty in our regression estimates. This uncertainty suggests that there are other unaccounted variables that influence the existing relationship between the number of approval steps and timeframes.

Figure 8: Regression All Non-ADU Discretionary Observations 2014 - 2021 (No Controls)



Our results using the 2014 - 2021 dataset also show that when we control for affordability characteristics, project size, location within a vulnerable geographic area, and intensity of the approval process, there is no statistically significant association between the number of approval steps and timeframes.

We also add an additional model where we only exclude process controls. We find that there exists a positive, statistically significant association between approval steps and timeframes when we only control for affordability, project size, and area characteristics, but this relationship is numerically smaller and decreases in statistical significance when we add these controls.

Table 19: Regression All Discretionary Non-ADU Observations 2014 - 2021 With Controls

Variables	No Controls	Affordability Controls	Neighborhood Controls	Size Controls	Process Controls	All Controls Except Process Controls	All Controls
	Dependent Variable: Timeframe (denoted in months)						
Num. Approvals	3.328***	3.363***	3.149***	2.882***	2.998**	2.643**	2.263
	(1.019)	(1.034)	(0.990)	(1.043)	(1.470)	(1.046)	(1.453)
Market-rate		14.441***				13.854***	11.718**
		(4.756)				(5.168)	(5.446)
Mixed Income		12.003***				11.610**	10.510*
		(4.539)				(4.933)	(5.497)
Vulnerable Area			-3.878			-3.577	-3.798
			(2.494)			(2.574)	(2.588)
Project Size				0.009		0.012	0.016
				(0.010)		(0.010)	(0.011)
Variance					10.836*		10.407*
					(5.620)		(5.763)
CUA & PUD					4.266		3.413
					(3.793)		(4.122)
Exceptions					0.859		-0.183
					(4.628)		(5.428)
Legis. Acts					5.815		4.783
					(8.056)		(9.030)
Constant	29.094***	16.346***	31.460***	28.968***	26.008***	18.847***	17.794***
	(2.013)	(4.357)	(2.548)	(2.026)	(2.466)	(4.943)	(5.063)
Observations	251	251	251	251	251	251	251
R-squared	0.052	0.070	0.061	0.055	0.080	0.082	0.109
Adj. R-Squared	0.048	0.059	0.053	0.047	0.062	0.063	0.076

Notes: *** indicates coefficient is significant at the 1% level. ** indicates coefficient is significant at the 5% level. * indicates coefficient is significant at the 10% percent level. Table presents robust standard errors in parentheses.

It is not typical for a development to have eight to nine steps to entitlement in San Francisco. Because it is possible that the relationship between approval steps and timeframes is driven by atypical projects in San Francisco (or observations that require eight or nine steps for approval), we also analyze the impact of outliers (in terms of the number of approval steps) on the relationship between approval steps and timeframes. Any observation in our discretionary, non-ADU dataset from 2018 - 2021 with more than four approval steps is considered an outlier.[108] We dropped these from our dataset and reran our regression models in the table below.

Table 20: Regression Results, Dropping Approval Step Outliers (2014 - 2021 Data)

Variables	No Controls	Some Controls	All Controls
Dependent Variable: Timeframe (denoted by months)			
Num. Approvals	1.987*	1.685	-0.756
	(1.133)	(1.309)	(1.928)
Market-rate		17.294***	14.218***
		(3.723)	(3.982)
Mixed Income		15.522***	12.450***
		(3.397)	(4.428)
Vulnerable Area		-1.829	-2.090
		(2.666)	(2.683)
Project Size		0.006	0.010
		(0.012)	(0.013)
Variance			13.440**
			(6.072)
CUA & PUD			6.949
			(4.802)
Exceptions			7.935
			(5.780)
Legs. Acts			9.840
			(7.396)
Constant	30.585***	15.720***	15.110***
	(2.205)	(3.880)	(4.142)
Observations	229	229	229
R-squared	0.010	0.041	0.075
Adj. R-Squared	0.005	0.020	0.037

Notes: *** indicates coefficient is significant at the 1% level. ** indicates coefficient is significant at the 5% level. * indicates coefficient is significant at the 10% percent level. Table presents robust standard errors in parentheses

[108] We calculated the bounds for large outliers (based on the number of approval steps) with the following formula: 1.5 * [75% Percentile – 25% Percentile] + 75% Percentile. For all 251 observations, the 25% percentile is one approval step and the 75th percentile is two approval steps. Using this formula, 1.5 * (2 – 1) + 2 = 3.5. Meaning, any observations with more than four approval steps are outliers.

We observe a positive association between approval steps and timeframes when we discard outlier observations, although this association is numerically smaller and decreases in statistical significance. When we exclude process controls in our regression—and only control for affordability, project size, and neighborhood characteristics—we find no statistically significant association between approval steps and timeframes. This suggests that the observations which required significantly more steps for approval play a role in the association between approval steps and timeframes. In other words, when we discard these observations to generate a dataset of more typical developments in San Francisco, we find no statistically significant association between approval steps and timeframe, controlling for factors outside of planning and zoning law. This also suggests that a more typical observation (an observation with two or three steps) would likely see no substantial difference in timeframe if it have been approved with fewer steps.

Robustness Checks for Analysis

We generated correlation heat maps to understand existing associations between the independent variables in our models. If high correlations exist between our independent variables, it could lead to imperfect multicollinearity.

In the following correlation heat maps, the only variables that are highly associated with each other are indicator variables that are mutually exclusive and exhaustive. As a result of these heatmaps, we feel comfortable using these variables as independent variables in our regression.

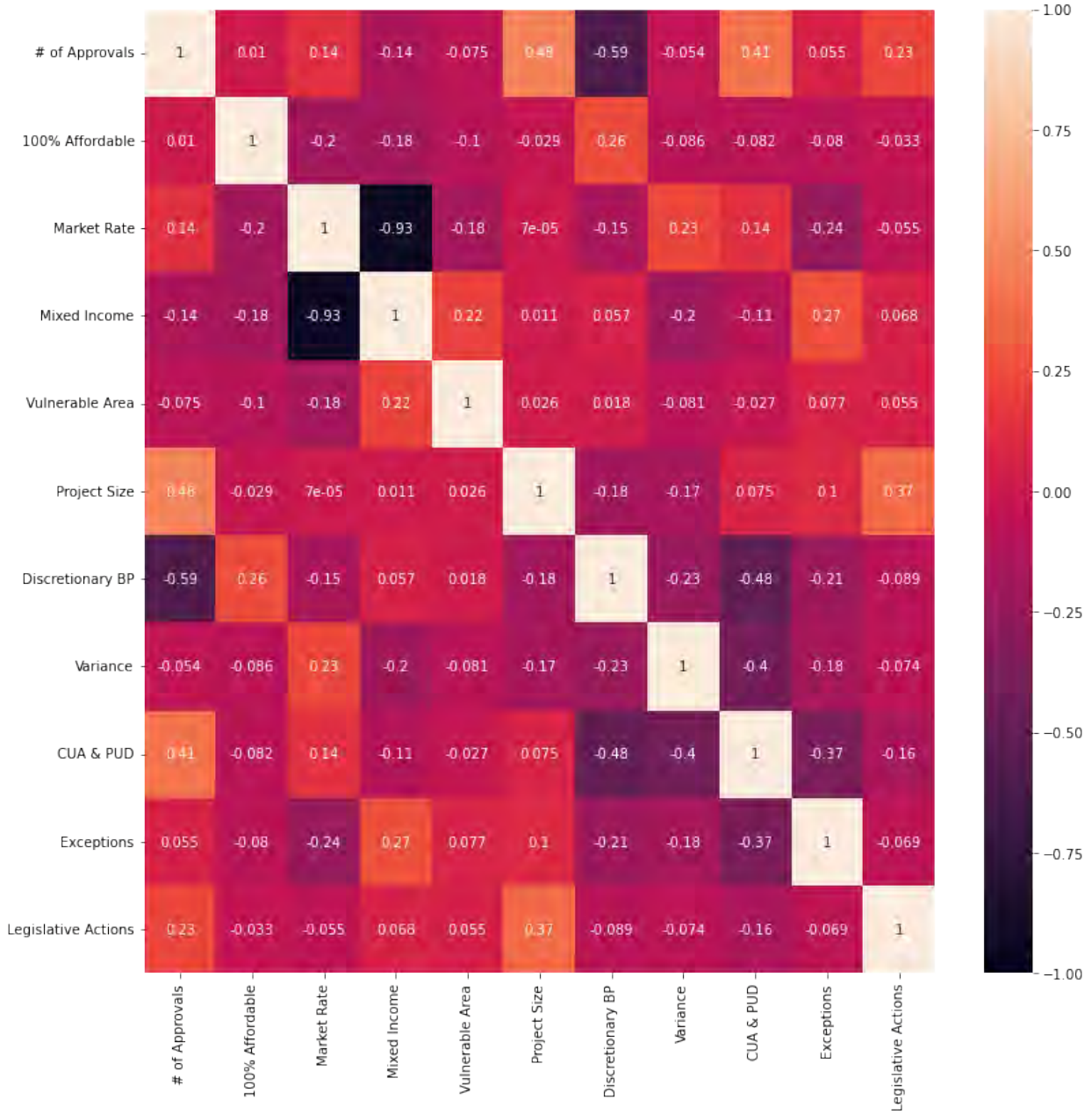


Figure 9: Correlation Heat Map for 2018 - 2021 Regression Data (N=111) with Affordability, Neighborhood, and Process Characteristics

Residual Plots for Regressions

We also run residual plots for some of our models for assessment. First, we use the residual plots to assess our model's functional form (e.g., is the association between the number of approval steps and timeframes linear?). We also use residual plots to assess the effectiveness of our control variables. We are interested in understanding if the introduction of these control variables help capture the underlying associations within our data.

Figure 10: Residual Plot and LOESS Line for Simple Regression ("No Controls" in Table 1) Using All 111 Non-Discretionary Non-ADU Observations 2018 - 2021

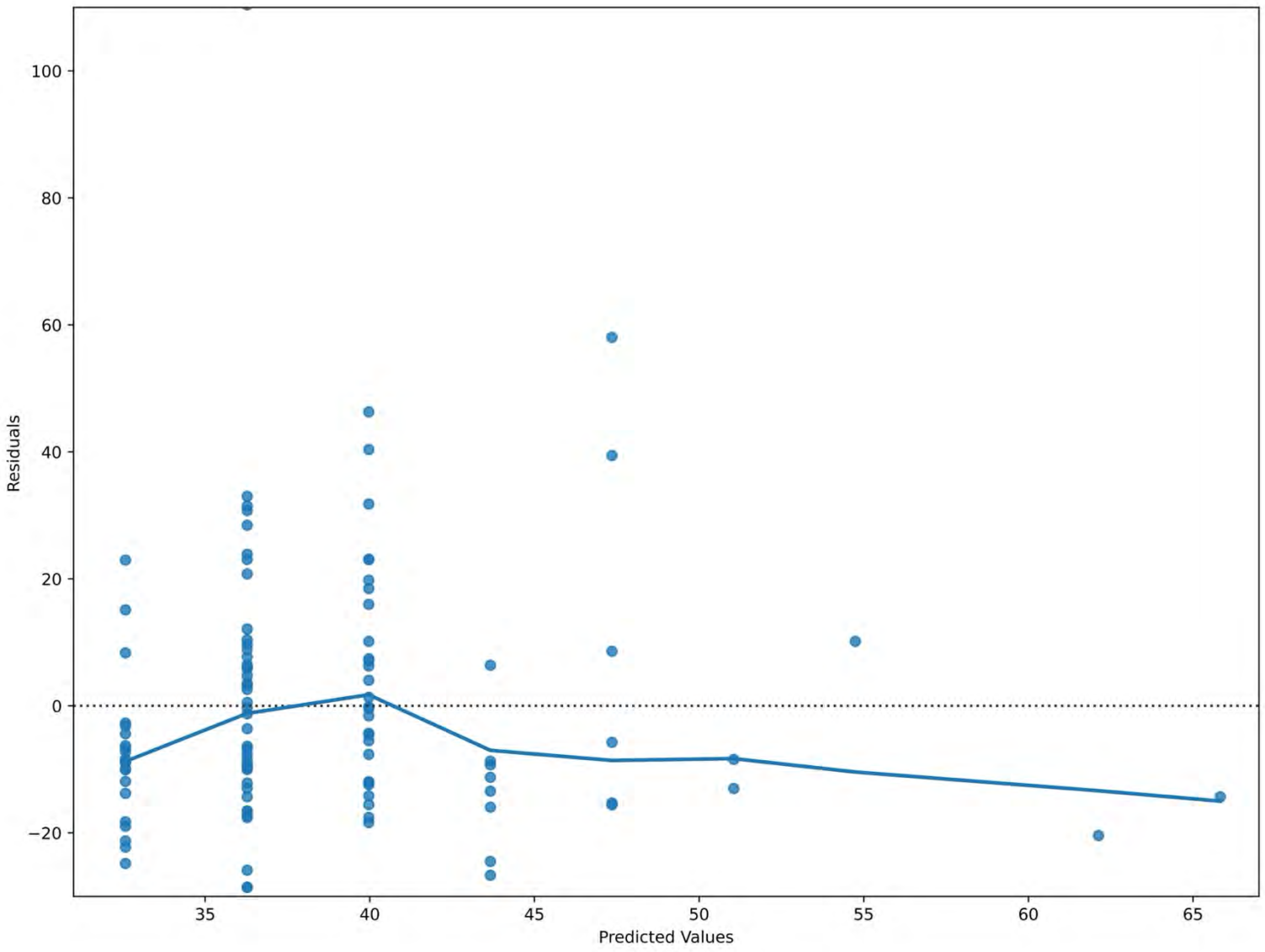
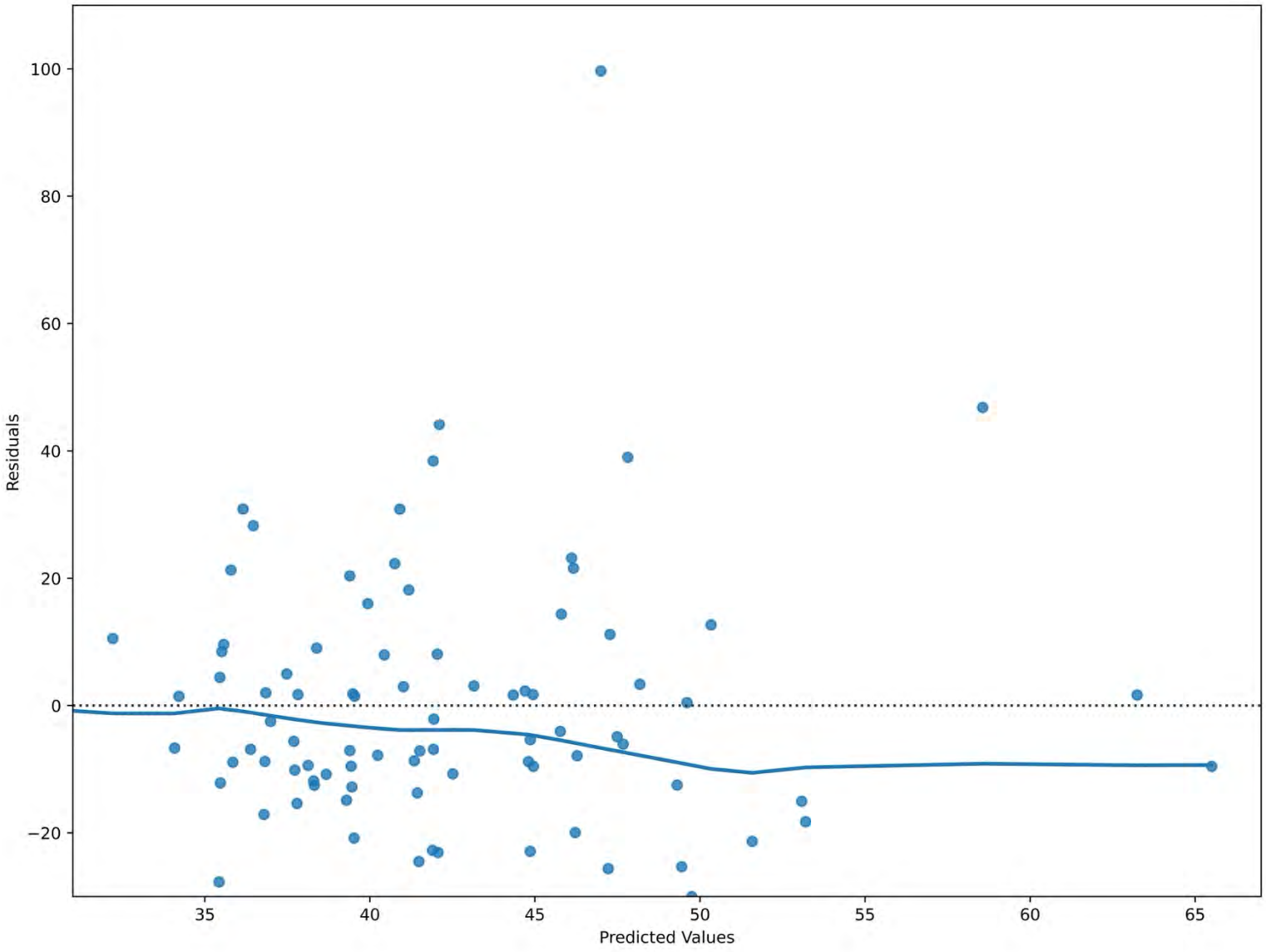


Figure 11: Residual Plot and LOESS Line for Simple Regression ("All Controls" in Table 1) Using All 111 Discretionary Non-ADU Observations 2018 - 2021



In Figure 10: Residual Plot and LOESS Line for Simple Regression ("No Controls" in Table 1) Using All 111 Non-Discretionary Non-ADU Observations 2018 - 2021, there is clustering in this plot. This indicates that the simple regression model is missing information to properly explain the relationship between the number of approval steps and timeframes. It strongly indicates that there are factors outside the number of approval steps that impacts the linear relationship between timeframes.

Figure 11: Residual Plot and LOESS Line for Simple Regression ("All Controls" in Table 1) Using All 111 Discretionary Non-ADU Observations 2018 - 2021 shows the residual plot of the regression specification when we control for process intensity, project size, neighborhood vulnerability, whether the project received an administrative appeal, and affordability. The clustering in this residual plot is less pronounced, which indicates that the controls are effective

in capturing sources of variation that influence the relationship between the number of approval steps and timeframes. Also, observe that there is no clear, consistent pattern in the residual plot. This indicates that a linear regression is most likely the best functional form for our model.

However, observe that the LOESS line is not a linear line at zero, but is rather slightly sloping downward. This indicates that there may be other omitted variables that impact the relationship between timeframes and approval steps, which may bias the magnitude of our regression estimates. Future regression work can test the use of interactive effects between independent variables or assess the impact of new control variables.

Appendix B: Spatial Distribution of Developments

Affordability and TCAC Category Cross Sectional Table (N=144), 2018 - 2021[1]

Highest Resource	Projects	Units	Affordable Units	Median Time	Mean Time
Market-rate	10	352	-	29.38	30.91
Market-rate(ADU)	1	5	-	6.41	6.41
Mixed Inc.(Discretionary)	3	150	38	28.21	31.34
100% Aff.(Discretionary)	0	-	-	-	-
100% Aff.(SB 35–Began as Disc.)	1[2]	135	135	15.39	15.39
High Resource	**Projects**	**Units**	**Affordable Units**	**Median Time**	**Mean Time**
Market-rate	9	328	-	39.81	38.15
Market-rate(ADU)	6	47	-	9.63	17.20
Mixed Inc.(Discretionary)	6	242	43	53.51	53.48
100% Aff.(Discretionary)	2	19	19	9.53	9.53
100% Aff.(Always SB 35)	2	228	228	4.47	4.47
Moderate Resource (Rapidly Changing to higher resources)	**Projects**	**Units**	**Affordable Units**	**Median Time**	**Mean Time**
Market-rate	4	47	-	32.74	37.44
Market-rate(ADU)	1	7	-	21.99	21.99
Mixed Inc.(Discretionary)	3	237	81	32.08	28.48
Mixed Inc.(ADU)	1	24	3	41.19	41.19
100% Aff.(Discretionary)	0	-	-	-	-
100% Aff.(SB 35–Began as Disc.)	2[3]	268	267	26.20	26.20
Moderate Resource	**Projects**	**Units**	**Affordable Units**	**Median Time**	**Mean Time**
Market-rate	18	1,555	-	40.41	40.30
Market-rate(ADU)	6	38	-	26.50	24.38
Mixed Inc.(Discretionary)	21	2,564	520	41.03	40.67
100% Aff.(Discretionary)	1	178	176	28.04	28.04
100% Aff.(Always SB 35)	2	175	173	4.65	4.65
100% Aff.(SB 35–Began as Disc.)	1[4]	63	63	41.39	41.39
Low Resource	**Projects**	**Units**	**Affordable Units**	**Median Time**	**Mean Time**
Market-rate	14	1,982	-	38.45	47.15

Mixed Inc.(Discretionary)	19	1,153	191	27.58	33.47
Mixed Inc.(Always SB 35)	2	720	294	6.84	6.84
100% Aff.(Discretionary)	1	15	15	55.96	55.96
100% Aff.(Always SB 35)	3	400	400	2.40	2.40
100% Aff.(SB 35–Began as Disc.)	3[5]	394	393	32.58	30.70

High Segregation & Poverty	Projects	Units	Affordable Units	Median Time	Mean Time
Market-rate	0	-	-	-	-
Market-rate(ADU)	2	13	-	19.04	19.04
Mixed Inc.(Discretionary)	0	-	-	-	-
100% Aff.(Discretionary)	0	-	-	-	-

[1] Observations that are student or group housing developments have been categorized as market-rate. We confirmed that group housing beds are not deed-restricted affordable.
[2] This is 1360 43rd Ave, originally proposed under 1351 42nd Ave. This project began as a discretionary entitlement. We use the earliest file date to calculate timeframes.
[3] The two SB 35 projects in this category of Moderate Resource (Rapidly Changing) began before SB 35 was signed into law, which influences timeframe calculations in this neighborhood classification. We logged one project, 2340 San Jose Ave, as having an earliest file date of 9/21/2017. We logged a second project, 4840 Mission St, as having an earliest file date of 9/21/2016. Further, 2340 San Jose Ave does not have an eligibility determination date, though we know it received a building permit. But we excluded it from timeframe analysis.
[4] This is 2205 Mission St, which began as a discretionary project.
[5] Three SB 35 projects in this category (Low Resource) began before SB 35 was signed into law.

Affordability and 2021 TCAC Category Cross Sectional Table, 2014 - 2017

Highest Resource	Projects	Units	Affordable Units	Median Time	Mean Time
Market-rate	3	69	-	89.98	79.68
Mixed Income	1	41	6	38.70	38.70
100% Affordable	0	0	0	0.00	0.00

High Resource	Projects	Units	Affordable Units	Median Time	Mean Time
Market-rate	6	120	-	23.79	24.77
Mixed Income	5	287	27	18.94	20.92

100% Affordable	0	0	0	-	-
Moderate Resource (Rapidly Changing)	Projects	Units	Affordable Units	Median Time	Mean Time
Market-rate	4	100	-	19.50	21.48
Mixed Income	3	527	171	34.26	32.10
100% Affordable	0	0	0	-	-
Moderate Resource	Projects	Units	Affordable Units	Median Time	Mean Time
Market-rate	29	2415	-	26.37	34.31
Mixed Income	25	3071	415	31.59	35.11
100% Affordable	0	0	0	-	-
Low Resource	Projects	Units	Affordable Units	Median Time	Mean Time
Market-rate	20	1600	-	23.98	27.17
Mixed Income	39	5472	982	31.23	30.30
100% Affordable	4	400	400	13.73	14.16
High Segregation & Poverty	Projects	Units	Affordable Units	Median Time	Mean Time
Market-rate	0	0	-	-	-
Mixed Income	0	0	0	-	-
100% Affordable	1	167	167	34.49	34.49

Affordability and Priority Equity Geographies (PEG) Sectional Table, 2018 - 2021 (N=144)

Vulnerable Area, Denoted by PEG	Projects	Units	Affordable Units	Median Time	Mean Time
Market-rate(Discretionary)	26	2,377	-	36.85	43.54
Market-rate(ADU)	6	37	-	21.70	22.56
Mixed Inc.(Discretionary)	35	2,424	468	32.09	34.97
Mixed Inc.(Always SB 35)	1	270	109	6.05	6.05
Market-rate(ADU)	1	24	3	41.19	41.19
100% Aff.(Discretionary)	1	15	15	55.96	55.96
100% Aff.(Always SB 35)	4[2]	512	510	2.91	3.31
100% Aff.(SB 35–Began As Disc.)	6	725	723	32.58	31.94
Not In a Vulnerable Area, Denoted by PEG	**Projects**	**Units**	**Affordable Units**	**Median Time**	**Mean Time**
Market-rate	29	1,88773	-	36.00	36.40
Market-rate(ADU)	10		-	9.71	18.07
Mixed Inc.(Discretionary)	17	1,922	405	42.44	45.09
100% Aff.(Always SB 35)	1	450	185	7.63	7.63
100% Aff.(Discretionary)	3	197	195	11.31	15.70
100% Aff.(Always SB 35)	3	291	291	2.76	3.90
100% Aff.(SB 35–Began As Disc.)	1	135	135	15.39	15.30

Distribution of Affordable Units (Inclusive of 11 Observations From Updated APR)

2014 - 2015 Affordable Units, by 2021 TCAC Distribution (N=351 new affordable units)

Neighborhood TCAC Category	Total Affordable Units in Category	Percentage (of Total Affordable Units)
Highest Resource	0	0.00%
High Resource	3	3.70%
Moderate Resource (Rapidly Changing)	0	0.00%
Moderate Resource	194	55 .27%

Low Resource	144	41.03%
High Segregation and Poverty	0	0.00%

2016 - 2017 Affordable Units Distribution, by 2021 TCAC (N=1,817 new affordable units)

Neighborhood TCAC Category	Total Affordable Units in Category	Percentage (of Total Affordable Units)
Highest Resource	6	0.33%
High Resource	14	0.77%
Moderate Resource (Rapidly Changing)	171	9.41%
Moderate Resource	221	12.16%
Low Resource	1,238	68.13%
High Segregation and Poverty	167	9.19%

2018 - 2019 Affordable Units Distribution by 2021 TCAC, Expanded by SB 35 Affordable Units (N=1,390 new affordable units, SB 35 affordable units=896)

Neighborhood TCAC Category	Total Affordable Units in Category	Percentage (of Total Affordable Units)
Highest Resource	Total: 22 • SB 35: 0 • Non SB 35: 22	Total: 1.58%

High Resource	Total: 17 • SB 35: 0 • Non SB 35: 17	Total: 1.22%
Moderate Resource (Rapidly Changing)	Total: 336 • SB 35: 267 • Non SB 35: 69	Total: 24.17%
Moderate Resource	Total: 321 • SB 35: 0 • Non SB 35: 321	Total: 23.09%
Low Resource	Total: 694 • SB 35: 629 • Non SB 35: 65	Total: 49.93%
High Segregation and Poverty	Total: 0 • SB 35: 0 • Non SB 35: 0	Total: 0.00%

2020 - 2021 Affordable Units Distribution by 2021 TCAC, Expanded by SB 35 Affordable Units (N=1,649 new affordable units, SB 35 affordable units=1,057)

Neighborhood TCAC Category	Total Affordable Units in Category	Percentage (of Total Affordable Units)
Highest Resource	Total: 151 • SB 35: 135 • Non SB 35: 16	Total: 9.16%
High Resource	Total: 273 • SB 35: 228 • Non SB 35: 45	Total: 16.56%
Moderate Resource (Rapidly Changing)	Total: 15 • SB 35: 0 • Non SB 35: 15	Total: 0.91%
Moderate Resource	Total: 611 • SB 35: 236 • Non SB 35: 375	Total: 37.05%
Low Resource	Total: 599 • SB 35: 458 • Non SB 35: 141	Total: 36.33%

High Segregation and Poverty	Total: 0 • SB 35: 0 • Non SB 35: 0	Total: 0.00%

Distribution of Affordable Units, by Priority Equity Geographies

2014 - 2015 Affordable Units by Priority Equity Geographies (N=351 new affordable units)

	Total Affordable Units in Category	Percentage (of Total Affordable Units)
Vulnerable Area, Denoted by Priority Equity Geographies	154	43.87%
NOT in a vulnerable Area, Denoted by Priority Equity Geographies	197	56.13%

2016 - 2017 Affordable Units by Priority Equity Geographies (N=1,817 new affordable units)

	Total Affordable Units in Category	Percentage (of Total Affordable Units)
Vulnerable Area, Denoted by Priority Equity Geographies	282	15.52%
NOT in a vulnerable Area, Denoted by Priority Equity Geographies	1,535	84.48%

2018 - 2019 Affordable Units by Priority Equity Geographies (N=1,390 new affordable units, SB 35 affordable units=896)

	Total Affordable Units in Category	Percentage (of Total Affordable Units)
Vulnerable Area, Denoted by Priority Equity Geographies	Total: 294 • SB 35: 0 • Non-SB 35: 294	Total: 21.15%

NOT in a vulnerable Area, Denoted by Priority Equity Geographies	Total: 1,096 • SB 35: 896 • Non-SB 35: 200	Total: 78.85%

2020 - 2021 Affordable Units by Priority Equity Geographies (N=1,649 new affordable units, SB 35 affordable units=1,057)

	Total Affordable Units in Category	Percentage (of Total Affordable Units)
Vulnerable Area, Denoted by Priority Equity Geographies	Total: 732 • SB 35: 446 • Non-SB 35: 286	Total: 44.39%
NOT in a vulnerable Area, Denoted by Priority Equity Geographies	Total: 917 • SB 35: 611 • Non-SB 35: 306	Total: 55.61%

Number and Percentage of 100% Affordable Developments in Areas with a Higher Density of Vulnerable Populations, by Year.

Year	Number of 100% Affordable Entitlements	Percentage of 100% Affordable Entitlements in Sensitive Geographies
2014 – 2017 (N=5)	Total: 5	Total: 100%
2018 – 2019 (N=8)	Total: 6 • SB 35: 6 • Discretionary Non-ADU: 0	Total: 75%
2020 – 2021 (N=10)	Total: 5 • SB 35: 4 • Discretionary Non-ADU: 1	Total: 50%

Appendix C: Analysis of Accuracy of Annual Progress Report Data on Entitlements and SB 35 Approvals

We relied on Annual Progress Report data that we pulled over three periods. For the 2018 - 2019 analysis, we first built a list of observations from 2018 - 2019 APR data that we gained access to on May 18, 2020. We began collecting data on these observations for related research during the 2021 - 2022 academic year, prior to working with HCD on this study. We did not collect as much information as we did for this research during that period, however. We then downloaded San Francisco's Original 2020 - 2021 APR data on or around October 2, 2022, to construct our original observation list for data collection. We then downloaded 2021 APR data on February 18, 2023. Then we downloaded all four years—2018 - 2021—APR data on July 14, 2023, from the state data dashboard to do a final check to confirm if we had any additional observations that may have come in through corrected reporting for any one of these four years. We also separately reviewed environmental review determinations to identify any possible observations not included in any APR data.

San Francisco reported 72 entitlements or SB 35 approvals in 2018 and 2019 on the report we accessed dated May 18, 2020.

- Of the 72 entitlements or SB 35 approvals from 2018 - 2019, we determined that 45 of these observations (~63%) were entitled in 2018 - 2019 and reported in the correct year.
- Therefore, 27 entitlements or SB 35 approvals (~38%) in the 2018 - 2019 APR (N=72) were incorrect reports.
- We found an additional seven entitlements or SB 35 approvals issued in 2018 - 2019 that San Francisco reported in another year (or the wrong year).
- The 2018 - 2019 APR Report also missed 33 entitlements issued in those years, which we found from reviewing San Francisco's Environmental Review Documents and Planning Commission Agendas.

San Francisco reported 82 observations entitled in 2020. San Francisco reported 30 entitlements or SB 35 approvals in 2021. Combined, San Francisco reported 112 entitlements or SB 35 approvals across 2020 - 2021.

- Of the 112 observations from 2020 - 2021, we determined that 45 of these observations (~40%) were entitled in 2020 - 2021 and San Francisco reported the correct year.
- We found an additional 18 entitlements or SB 35 approvals issued in 2020 - 2021 that San Francisco reported, but reported as entitled in the wrong year.
- 67 observations (~60%) in the 2020 - 2021 APR (N=112) are incorrect reports.
- Most, or 62 (out of 67), incorrect reports in the 2020 - 2021 APR are from Reporting Year 2020.
- The 2020 - 2021 APR data also missed an additional 21 entitlements, which we found through reviewing environmental review determinations.

In the inaccurate reporting across 2018 - 2021, we determined six entitlements that San Francisco incorrectly reported in 2018 - 2021 were entitled sometime in 2014 - 2017.

We also used the July 14, 2023, download of San Francisco's Annual Progress Reports to HCD a final time to run a second audit of the 2018 - 2021 APR before completing all analysis. In total, San Francisco underreported on 69 entitlements or SB 35 approvals across those four years.