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MAYOR LURIE DELIVERS ON KEY PIECES OF PERMITSF, ANNOUNCES LEGISLATION WITH MAJOR REFORMS TO CUT RED TAPE, DRIVE ECONOMIC RECOVERY

Reforms Completed in Initiative's First 100 Days Will Save Small Businesses and Residents Thousands of Dollars and Months of Time, Add Accountability and Transparency to Permitting Process

Legislative Package Introduced Today Will Simplify and Expedite Permitting Process for Small Business Owners, Downtown Businesses, Homeowners

SAN FRANCISCO – Mayor Daniel Lurie today announced that his administration has delivered on key pieces of <u>PermitSF</u>, his effort to drive the city's economic recovery by making the city's permitting process fast, predictable, and transparent. Through a series of actions already taken within 100 days of the <u>PermitSF executive directive</u>, the Lurie administration has cut bureaucratic red tape to immediately make permitting faster, simpler, and more accessible.

Mayor Lurie today also introduced a legislative package with six ordinances proposing structural changes to help businesses and property owners to secure the permits they need more easily and efficiently. The package includes common-sense reforms to support small businesses through the permitting process, increase flexibility to support businesses downtown, boost the city's nightlife businesses, and help families maintain their homes.

These milestones under PermitSF support Mayor Lurie's work to drive San Francisco's economic recovery. Last week, he signed legislation establishing five <u>new entertainment zones</u> across the city and launched another in the Castro. His <u>Family Zoning</u> proposal will help ensure the next generation of San Franciscans can raise their kids in the city. And under his <u>Rebuilding the Ranks</u> plan, the San Francisco Police Department (SFPD) is working towards full staffing while the <u>SFPD Hospitality Zone Task Force</u> is keeping downtown safe 365 days a year.

"When business owners spend less time and money on bureaucratic hurdles, they invest more in their businesses and our communities. Our administration is making it easier for small business owners to grow their dreams, giving residents the freedom to maintain their properties, and enabling companies to invest in our city," said **Mayor Lurie**. "The PermitSF plan gives us the tools we need to cut red tape and remove unnecessary hurdles—helping San Francisco's small business owners and homeowners succeed, fueling our economic recovery, and building a more vibrant future for our entire city."

Under a leadership team representing four city departments, the multi-agency PermitSF group is bringing together key city departments to deliver integrated permit reform.

"Since February, the PermitSF leadership team has been working diligently to engage stakeholders, identify key challenges, and streamline our processes through common sense solutions," said **Rich Hillis, Director of San Francisco Planning**. "While there's still much to do, I'm proud of the meaningful progress we've made in our first 100 days to cut red tape and lay the foundation for a more efficient, responsive permitting system."

Within the first 100 days of PermitSF, process improvements focused on improving the customer experience are already in place, including:

- Expanded service hours at the Permit Center to better meet customer demand
- Removed San Francisco Unified School District from the routing process, shaving up to 10 days off the building permit process for permits associated with new residential or commercial development
- Restaurant owners are no longer required to come into the Permit Center to seek permits for candles in their space, which will be treated like other operational permits that are inspected onsite
- A single webpage for permitting information at <u>sf.gov/Permitting</u>—the first step to having one online hub for permit information and application submission
- Merged customer service inquiries for San Francisco Public Works, the Department of Building Inspection (DBI), Planning, and the Fire Department, ensuring all customer communications receive timely and consistent responses
- Pilots for new solutions to enable dynamic centralized permit application intake
- A <u>Request for Information (RFI)</u> launched by the Mayor's Office of Innovation for technology to deliver a public-facing permit tracking tool that provides applicants with real-time visibility into permit status and a centralized, integrated permitting system to enable seamless collaboration across all departments

While 92% of all building permits are issued in person and most in a single day, more complex projects require "in-house" review, a process that has become notorious for being lengthy and opaque.

To make the process more predictable for homeowners and businesses, all permitting agencies will now track in-house permit issuance based on standardized performance targets, or "shot clocks."

Effective today:

- Clear transparent timelines will be provided to give applicants greater certainty at early stages of the permitting process that are clearly within the city's responsibility
- Performance targets will be incorporated into staff performance plans
- A new permitting performance dashboard now available online at <u>sf.gov/PermitPerformance</u>, providing transparency to the public and holding city departments accountable for performance targets

To support small businesses, drive downtown's recovery, and support nightlife, Mayor Lurie has introduced a legislative package with six ordinances that will improve the customer experience for business owners citywide.

"We should be making it easier for restaurants and other small businesses to activate the sidewalks outside their establishments, and we should be making it easier for businesses to comply with the ADA," said **Board of Supervisors President Rafael Mandelman**. "I have worked on both, this legislation does both, and I am delighted to co-sponsor."

"Today's PermitSF legislative package is a major step forward in making it easier to open and run a small business in San Francisco. These critical changes will allow entrepreneurs and artists to focus on their craft instead of spending their time navigating complex permits and procedures," said **District 3 Supervisor Danny Sauter**. "Our message is clear: San Francisco is open for business, and we'll be there every step of the way to help you bring your ideas to life in our great city."

"We need to live up to our reputation as 'The City That Knows How' by making it simple and smooth for everyday people to get their permits—whether it's to improve their properties or to run their small businesses," said **District 7 Supervisor Myrna Melgar**. "It's the little things that go a long way, and I am excited to roll out a user-friendly, streamlined approach."

"San Francisco is open for business, and I applaud Mayor Lurie for all of the great work he is leading through PermitSF to make it easier to activate our downtown and commercial corridors," said **District 6 Supervisor Matt Dorsey**. "These changes will be a tremendous boost to the neighborhoods I represent, and I'm proud to cosponsor this legislation."

"For too long, permitting in San Francisco has been a bureaucratic maze, slowing down growth and opportunity. We can no longer afford to let outdated processes hold us back. This legislation cuts through the red tape, making it easier for those who want to invest in our city's future," said **District 2 Supervisor Stephen Sherrill**. "It's time to empower those who are ready to contribute to our economy and create the vibrant city we all want to see."

"This PermitSF legislation is an example of how small tweaks in our code can make it easier and faster for residents and businesses to move through burdensome city permitting requirements," said **District 5 Supervisor Bilal Mahmood**. "Even simple changes, like removing business sign permits and fees, can make a difference for our downtown recovery."

The legislative package includes ordinances that will:

- Reduce the permit processing timelines by eliminating unnecessary steps in the permit review process for entertainment. Businesses won't need inspection from DBI on permits to extend their hours or from Planning for limited live performance permits, among others. Last fiscal year, about 60 of these permits costs applicants about a month each of processing time and \$12,000 in aggregate.
- Eliminate permits for sidewalk tables and chairs and sidewalk merchandise displays to support small businesses. Each year, over 500 businesses apply for these permits, which can cost a small business between \$300 and \$2,500 annually. Removing this requirement would save small businesses both time and money, allowing them to focus resources on serving customers and growing their operations.
- Eliminate minor encroachment permits for routine tenant improvements. If a business owner installs a door opener to improve accessibility, they no longer will have to pay a nearly \$2,000 one-time fee plus an annual fee to the city.
- **Remove permit requirements and fees for many common business signs**. Small business owners will not need to obtain a permit and pay the city to paint the name of their business on their façade or put up a small sign in their window, saving businesses hours of time at the Permit Center and saving several hundred dollars.
- Make it possible for business owners to legalize their existing security gates, integrating gates into an existing amnesty program for storefront awnings and signs, ensuring small business owners in Chinatown and throughout the city are not punished for keeping their businesses safe.
- Unlock critical uses in ground-floor commercial spaces. Currently, ground-floor uses must have at least 60% of the windows and doorways transparent, allowing visibility to the inside of the building. The Planning Code would be amended to allow childcare facilities, homeless shelters, mortuaries, religious institutions, reproductive health clinics, and school uses, exempting them from these requirements.
- Support downtown revitalization by increasing flexibility for ground-floor and second-floor uses. To help drive downtown's comeback, this legislation would expand the range of allowable uses on the ground floor to better serve employees and businesses. Simplifying the process for activating vacant spaces includes eliminating the Conditional Use Authorization requirement for retail and non-retail professional services. Businesses

should be able to bring in tenants like gyms or cafes without facing delays of up to 10 months or incurring costs up to \$150,000 just to get approval.

To support homeowners through the permitting process, legislation introduced by District 4 Supervisor Joel Engardio and supported by Mayor Lurie would remove variance requirements for routine repairs and replacements of existing structures. For example, a homeowner with a back deck in disrepair would be able to replace it without going through a complicated and timeconsuming variance process at the Planning Department, which can take six months and cost up to \$6,000.

"To every entrepreneur and innovator in the world who has a good idea, let it be known that this legislation is for you. San Francisco is the place to create your business. Because we're rolling out the red carpet and cutting the red tape so your idea has the runway it needs to succeed," said **District 4 Supervisor Joel Engardio**. "We're going to make it easy to activate an empty store front with your pop-up idea for retail, art, community service, or anything you're dreaming of. It's time to reduce the barriers, consolidate the permits, and streamline approvals so your idea can become one of many that will save our local economy."

"This bold package from San Francisco Planning and Mayor Lurie is a smart, timely response to the urgent challenges facing downtown San Francisco," said **Robbie Silver, President and CEO of the Downtown SF Partnership**. "By cutting red tape and opening the doors to more flexible, people-focused ground-floor uses, it builds real momentum for quickly filling vacant spaces, attracting new tenants, and reenergizing our urban core. It's exactly the kind of pragmatic leadership San Francisco needs right now."

"The legislation being introduced today will make a meaningful difference to San Francisco restaurant-owners," said **Laurie Thomas, Executive Director of the Golden Gate Restaurant Association**. "Many small restaurants depend on being able to add a few tables along the sidewalk, but the annual fees can significantly cut into the already small profit margin. Removing the sidewalk tables and chairs permitting requirements will make it easier for restaurants to offer the al fresco dining experience that customers love."

The Lurie administration will continue working to deliver on the one-year goals for PermitSF.

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