MEMORANDUM

TO: Jane Gong, Program Director, San Francisco Business Portal Team

FROM: Peg Stevenson, Director, City Performance Unit
       Sherman Luk, Project Manager, City Performance Unit
       Catherine Omalev, Performance Analyst, City Performance Unit
       Ryan Hunter, Performance Analyst, City Performance Unit

DATE: REISSUED: September 18, 2015

SUBJECT: Improving San Francisco’s restaurant permitting processes

CC: Jason Hemmerle, Senior Project Manager, San Francisco Business Portal Team
    Angelica Quicksey, Project Manager, San Francisco Business Portal Team

EXECUTIVE SUMMARY

In partnership with the San Francisco Business Portal team, the Controller’s Office City Services Auditor (CSA) created high-level, applicant-focused maps for the process of permitting a new restaurant in San Francisco. While a deeper analysis would be needed to recommend improvements to an individual department’s process, the Controller’s Office provides interdepartmental recommendations to improve restaurant business permitting in San Francisco. These recommendations fall into two major categories:

A. Collaboration across departments
   1. Make permit turnaround time a key department performance measure
   2. Link low-awareness permits to critical-to-open permits
   3. Refer customers to Planning Department at beginning of process
   4. Improve Treasurer-Tax Collector data linkages with Assessor and with consolidated billing departments
   5. Increase co-location of permitting staff, moving toward a one-stop shop

B. Applicant focus
   6. Allow more applications to be submitted online
   7. Enhance department websites to address customer needs
   8. Streamline payment methods
BACKGROUND

Restaurants and food are at the core of San Francisco’s cultural identity and the City has always been a city of culinary innovation. In 2014, a Bloomberg analysis concluded that San Francisco had more restaurants per capita than any city in the country\(^1\), including New York, Los Angeles, and Seattle. The 2015 James Beard Awards, the “Oscars of Food”\(^2\), recognized San Francisco restaurants in 12 nominations, including Best New Restaurant, Best Chef, and Outstanding Service.\(^3\)

Moreover, collectively these restaurants are an important component of San Francisco’s tourist and entertainment economy. In 2010, San Francisco restaurants hosted more than 64 million paying customers and generated 19,000 jobs.\(^4\) These restaurants generated $3.2 billion consumer spending and about $30 million in sales tax annually for the City.\(^5\) There is no wonder that at least 300 Food Permit applications were submitted annually the last few years.\(^6\) For some the City has generated a reputation for onerous, bureaucratic permit processes that inhibit the growth of this industry.

In 2014, the SF Business Portal Team ("SFBP") requested the City Performance Unit, City Services Auditor, Controller’s Office ("CSA") to gather information to gain a better understanding of business permitting activities required to open a new restaurant in the City. CSA performed a high level business permit process mapping analysis, utilizing both available quantitative and qualitative data, to provide a preliminary, end-to-end view (see Figure 1) of what it takes to open a restaurant within the City.

For each of the permits\(^7\) related to opening a new restaurant in San Francisco, listed in Table 1, CSA produced a high-level process map and summary of its permit process. To produce these maps, CSA reviewed each department’s website and application forms, and conducted interviews with the functional owners or subject matter experts of each permit process in the department. These individual permit maps and written summaries are included in Appendix D.

---


\(^5\) Ibid, p. 9 and 11

\(^6\) Based on the data analysis of the Food Permit classes H24, H25, and H26 issued each year.

\(^7\) These permits are listed under Restaurant Starter Kit, SFBusiness Portal at [http://businessportal.sfgov.org/start/starter-kits/restaurant](http://businessportal.sfgov.org/start/starter-kits/restaurant)
### Restaurant-Related Permits Reviewed

<table>
<thead>
<tr>
<th>Major Service Area (MSA)</th>
<th>Department (Acronym)</th>
<th>Permit reviewed</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Admin. &amp; Finance</td>
<td>Assessor (ASR)</td>
<td>Business personal property (new business registration)</td>
</tr>
<tr>
<td>Public Works,</td>
<td>Building Inspection</td>
<td>- Building permit</td>
</tr>
<tr>
<td>Transportation &amp;</td>
<td>(DBI)</td>
<td>- Sign</td>
</tr>
<tr>
<td>Commerce</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Admin. &amp;</td>
<td>Clerk</td>
<td>Fictitious business name</td>
</tr>
<tr>
<td>Finance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Admin. &amp; Finance</td>
<td>Entertainment</td>
<td>- Extended hours</td>
</tr>
<tr>
<td>Finance</td>
<td>Commission (EC)</td>
<td>- Limited live performance</td>
</tr>
<tr>
<td>Public Protection/Safety</td>
<td>Fire (SFFD)</td>
<td>- Place of assembly</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Open flame</td>
</tr>
<tr>
<td>General Admin. &amp; Finance</td>
<td>Planning</td>
<td>Initial, high-level review of land use and building requirements</td>
</tr>
<tr>
<td>Public Protection/Safety</td>
<td>Police (SFPD)</td>
<td>- Valet parking</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Liquor license</td>
</tr>
<tr>
<td>Public Health</td>
<td>Public Health (DPH)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Automated point of sale registration</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Certificate of sanitation/Food permit to operate</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Food safety manager certification</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Weighing or measuring device registration</td>
</tr>
<tr>
<td>Public Works,</td>
<td>Public Works (DPW)</td>
<td>Café tables and chairs</td>
</tr>
<tr>
<td>Transportation &amp;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commerce</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Works,</td>
<td>Public Utilities</td>
<td>Water/wastewater capacity change assessment</td>
</tr>
<tr>
<td>Transportation &amp;</td>
<td>Commission (SFPUC)</td>
<td></td>
</tr>
<tr>
<td>Commerce</td>
<td>Treasurer/Tax Collector (TTX)</td>
<td>Business registration certificate</td>
</tr>
<tr>
<td>-</td>
<td>Alcoholic Beverage Control* (ABC)</td>
<td>Liquor license</td>
</tr>
<tr>
<td>-</td>
<td>Board of Equalization* (BOE)</td>
<td>Seller’s permit</td>
</tr>
<tr>
<td>-</td>
<td>Internal Revenue Service* (IRS)</td>
<td>Employer Identification Number</td>
</tr>
</tbody>
</table>

Table 1 - Permit Processes Reviewed, Sorted by Departments
* State or federal agencies
In addition to high level process mapping, this preliminary analysis also included information from:

- A survey of restaurant owners who sought help from the Office of Small Business (Appendix A),
- An in-depth interview with a restaurant owner/former applicant,
- Analysis of permitting data provided by Treasurer/Tax Collector on the five consolidated billing departments (Treasurer/Tax Collector, Police, Fire, Public Health, and Entertainment Commission), and
- An interview with the New York City Business Acceleration Team

A high-level view of the end-to-end permitting process for opening a new restaurant is shown in Figure 1. It shows where each permit could possibly fit within the entire process. It also provides an analytical framework for CSA's analysis. The land use and construction related permits are located at the upper portion of the map, while the business related permits are located at the lower portion. The business related permits are further divided into horizontal bands by major service areas, which can include related permitting departments.

The map proceeds chronologically from left to right, beginning with business feasibility/planning phase and then to execution phase. The red bar shows the point at which the restaurant can open its doors; permits to the left of this bar should be obtained before opening a restaurant. Permits, represented by boxes, are color-coded by whether they are necessary to open, required eventually or due to need but not before opening, and optional to obtain. Optional permits, represented by the green boxes to the right of the red bar, are located there for the purpose of organizing by major service areas. These optional permits should be obtained as early as possible if they are needed.
Overall Permitting Process - New Restaurant: A Big Picture Perspective of What An Applicant Could Do

**Feasibility/Planning Phase**
- Potential physical business locations
- Planning/DBI Visit Planning Information Center
- Consider securing a physical business location, e.g., signed lease
- SFFD Verify occupancy with Bureau of Fire Prevention

**Land Use and Physical Construction**
- 2001 Mission
- Deps. Building Inspection (DBI) & Planning Building Permit
- Public Utilities Comm. Capacity Charge

**Execution Phase**
- Deps. of Public Health (DPH) Food Permit to Operate
- Weights & Measures POS System and/or Device Reg.
- DPH Food Safety Manager Certification*
- Fire Dept. (SFFD) Open Flame Candle Assembly, 649 occupants & 2+* A
- Hall of Justice
- Fire Dept. (SFFD) Place of Assembly, 459 occupants & 2+
- SF Public Works Cafe Tables and Chairs in Public Sidewalk Areas
- DBI Sign permit
- Entertainment Comm. Limited Live Perms. Place of Enter, Extended Hours
- CA Dept of Alcoholic Beverage Control (ABQ) Alcoholic Beverage License
- Multi-Dept. Review

**Business Related Part**
- Check fictitious business name availability***
- Develop Business Plan & Setup Business Entry
- City Hall

**State of Federal Agencies**
- Board of Equalization Seller's Permit
- IRS Employer Identification Number
- Treasurer & Tax Collector Business Registration Certificate (BRC)
- County Clerk Fictitious Business Name
- Assessor Business Personal Property Assessment

**Public Health**
- Deps. Of Public Health (DPH)

**Public Safety**
- SFFD Parking Permit
- SFFD ABC License Application
- SFFD ABC License

---

Figure 1 – An Overall Permitting Process Across City Departments - Opening A New Restaurant

...
PRELIMINARY FINDINGS & RECOMMENDATIONS

A. COLLABORATION ACROSS DEPARTMENTS

Findings

While most departments think proactively about internal process efficiency, many of the challenges facing permit applicants occur when permits are handed off between departments. Departments are focused primarily on meeting their own business needs and have few incentives or resources to streamline processes that span multiple departments.

Meanwhile, prospective permit applicants must work across many city departments, often in the process of getting a single permit, as shown in Figure 1. Difficulties for many first time applicants include receiving inconsistent information from different permitting departments, repeatedly being asked for the same information on different permit forms, a lack of clear direction about which permits to obtain first, and travelling to different permitting offices that are geographically dispersed.

i. Major permits cross many departments

The most time consuming permits are often those required approvals from multiple City departments. CSA found that these interdepartmental handoffs were not highly coordinated and likely result in unnecessary delays.

- The DPH Certificate of Sanitation/Food Permit To Operate involves approved referrals from SFFD and Planning, as well as successfully completed construction (i.e., building permit), if applicable. Anecdotally, many health permits are held while awaiting approval from SFFD and Planning.
- The DBI Building Permit requires a complex series of handoffs to DPW, Planning, SFPUC, and other departments.
- Planning/zoning requirements, while necessary, are complex and can lengthen a project schedule. Planning has distributed a preliminary zoning affidavit so that other departments can refer applicants to Planning early, but its use is not widespread.

Geographically, in the course of opening a restaurant, applicants typically must also visit many dispersed permitting locations, including Fox Plaza, City Hall, 1660 Mission Street, 2nd & Townsend Street, and the Hall of Justice.

ii. Applicants are not aware of all the permits required

Several departments expressed a public awareness concern: applicants might not know they exist and therefore do not apply for their permits. These “low-awareness” permits include:

- Clerk: Fictitious Business Name
- Weights and Measures (W&M): Point-of-Sale and Device Registrations
- Assessor: New Business Registration
- Entertainment Commission: Extended Hours
In general, these permitting departments expressed a desire for increased coordination with other departments to boost awareness.

The failure to apply for these permits has business consequences for both the City and the small business. Internally, low permitting rates hamper each department’s achievement of goals – for example, W&M’s goal to ensure businesses use accurate scales for consumer protection. In some instances, low permit compliance rates may have financial impact on the City. Externally, business owners who unknowingly fail to register risk penalties if discovered later – for back payment of property taxes, for example.

iii. New TTX systems require better data linkages

In addition to applicant-facing permit handoffs, CSA also discovered problems with the coordination of back-end processes among permitting departments, particularly around new technology, legislation, and processes at TTX.

Four departments – EC, SFPD, SFFD, and DPH – have joined together to consolidate their permit billing with the Treasurer/Tax Collector. While the move to consolidated billing has simplified payment from the applicant’s perspective, all five departments reported significant problems in back-end coordination. For example, when existing businesses change names, change ownership, or close, that information is not always propagated appropriately across departments. As a result, some businesses have avoided paying license fees, and others have had permits withheld, particularly at DPH. SFFD found that some business owners applying for a Place of Assembly permit may not have a current business registration number or fail to register their business locations. The five departments do not have agreed upon rules about how to handle business changes made in one department but not the others.

In addition, City property tax revenue depends in part on the Assessor’s office Business Personal Property Division (BPP) identifying new businesses in the City each year. Most of these new businesses register with TTX, and in prior years, TTX has sent an annual data extract of these businesses to BPP. Due to Assessor staffing changes and new legislative mandates regarding taxation, this data exchange did not happen in 2015; as a result, many businesses are likely to be missed from the tax rolls, potentially resulting in decreased tax revenue.
Preliminary Recommendations

To address issues of limited inter-departmental collaboration, San Francisco permitting departments could consider the following recommendations.

1. Make permit turnaround time a key department performance measure

For restaurant permit applicants, the time-consuming permit process is not just an issue of convenience, but of actual business cost: fixed costs like rent accrue while awaiting permit approval. In this review, few departments were readily able to provide quantitative data on the average time to obtain a permit. The chart below is based on the best estimate of department staff interviewed, except where noted.

Note: Same-day permits include Sign, Business Registration Certificate, Open Flame Use, and Water & Wastewater Capacity. No information available for Seller’s Permit and Building Permit. All timeline data based on department self-reports except for ABC (from CA Dept. of Alcoholic Beverage Control application), Sign (from Planning website), Building (from DBI data, see Appendix B).
Permitting departments should strive to provide excellent customer service by issuing permits promptly when all the legal requirements are met. In this survey, business owners reported that permitting processes took four months to complete on average. To improve turnaround time, departments must start by measuring current performance, setting standards and management targets to drive change, and continuing to monitor performance.

Turnaround time measurement should begin with more complex permits that are generally required before a business can open its doors: Planning/Zoning (referrals) processes, DPH Certificate of Sanitation, DBI Building Permit, and SFFD Place of Assembly Permit.

Because most permits are interrelated, improvement in turnaround time will require departments to work together by implementing recommendations 2, 3, and 4 as well.

2. Link low-awareness permits to critical-to-open permits

New restaurants must get approval from at least six different government agencies before they can open, including DBI, DPH, SFFD, and TTX. Critical-to-open permits from these departments include TTX New Business Registration, DBI Building Permit, DPH Food Permit to Operate, and SFFD Place of Assembly Permit. At the same time, many departments have registrations that, while required of many or most businesses, are invisible to applicants due to a lack of awareness and of a mechanism to enforce permit approval.

Low-awareness permits should be packaged to critical-to-open permits where possible, so that applicants are directed to apply for them simultaneously. Besides the clear benefit to departments of increased compliance from applicants, consolidating permit applications also reduces the number of departments that an applicant must proactively contact (currently up to 13 departments, depending on business need). CSA identified two concrete steps to begin this linkage.

- **Combine the application for Treasury Tax's New Business Registration with the Assessor’s New Business Registration and the Clerk’s Fictitious Business Name Registration.** Most new applicants need to fill out all three of these permit forms, which request many common information. All three permitting departments have offices in City Hall. If applicants can fill out just one consolidated form at City Hall, time could be saved and compliance could increase.

- **Include Weights and Measures permitting in the health inspection process.** Although Weights and Measures (W&M) is located in the same location as health inspectors, the divisions are not tightly integrated. When health inspectors visit businesses, as part of the inspection they could also check that all point-of-sale systems and weighing and measuring devices are registered with W&M and notify W&M of unregistered devices.
3. Refer customers to Planning at beginning of the process

No departmental approval is more critical than Planning Department. While a health or building violation can create costly or time-consuming delays for a new business, an impermissible zoning use can shut a new project down entirely. For this reason, Planning Department strongly encourages new businesses to proactively approach them via the Planning Information Center for advice very early in the permitting process, ideally even before securing a business location. Still, businesses sometimes find themselves unable to open because of an unanticipated six-month change of use process or other zoning delay. Planning and zoning is often the most time-consuming step of opening a new restaurant.

All permitting departments should ensure that the applicants have first consulted Planning Department about permissible uses on the proposed business site. More departments should make use of Planning Department’s preliminary zoning affidavit or a similar process, so that applicants can know early on whether their proposed use might require a lengthy process for change of use, environmental review, neighborhood notification, or more. Planning staff can also assist applicants in making small changes to their business plan early on, so that businesses can avoid triggering significant regulatory requirements.

4. Improve TTX data linkages with Assessor and consolidated billing departments

The five consolidated billing departments – TTX, DPH, EC, SFPD, and SFFD – must work collaboratively to improve needed data linkages. All of the consolidated billing departments must establish a system to appropriately synchronize information when a customer changes business name or ownership or closes the business. TTX and DPH have begun working on both short- and long-term improvements to system communication. The rest of the consolidated billing departments should eventually be included in these conversations as well.

The consolidated billing program is an asset to the customer and has the potential to resolve customer frustrations around payment (see recommendation 8). Possible future expansion of the program will depend on effectively addressing current implementation issues.

Resuming data exchange with the Assessor’s office could both increase the number of businesses registered on the tax rolls and eliminate the need for the Assessor’s registration form. The TTX tax filing form contains a checkbox to indicate if businesses have taxable personal property; a data exchange is needed to transmit that information appropriately to the Assessor.

---

8 See upper left hand corner of the end to end process diagram on page 5.
5. **Increase co-location of permitting staff, moving toward a one-stop shop**

Where possible, permitting staff from related permitting departments should be physically co-located to reduce the number of trips applicants must make across the city and to facilitate problem solving across department boundaries in real time. For example, Planning Department and DBI run a collaborative Sprout program that uses a small, interdepartmental permitting team to facilitate permitting for new small businesses. Planning Department expressed interest in growing this program to specialize in specific business types, and Sprout might serve as a model for staff working together across departments.

CSA's survey also supports co-locating permitting staff where many survey respondents wished that permitting agencies “could all be in one place in one building.” In the long-term, the City’s key permitting departments (DBI, DPH, Planning, and SFFD) should continue to explore options to co-locate staff in a one-stop permitting shop.
B. CUSTOMER FOCUS

Findings

Departments interviewed varied widely in their treatment on permit applicants as customers. City agencies should strive for permit processes that are clear, user-friendly, and prioritize a smooth customer experience.

New small business owners are rarely familiar with city permitting processes; therefore departments must prioritize getting the customer the right information at the right time – not just communicating the facts of their regulations. The City’s inability to do so has given rise to a private market in permit expediters with special expertise in navigating the maze of City services.

Survey highlights

The average new restaurant required
86 days to open
26 hours of permitting work

Detailed survey findings in Appendix A

i. Unnecessary paper forms require office visits or mail, slowing processes

Most permit applications still require paper forms. Even those applications that are available for download online can rarely be submitted online. Often customers must download, print, sign, and mail a physical application. Every time an application is mailed, permit turnaround time is extended by several days. Other departments require the applicant to come in person to the office to submit.

ii. Permitting websites offer unclear, incomplete, or contradictory information

CSA found that many department websites offered information and direction about permit applications in a user-unfriendly way. Necessary resources – permit application forms, FAQs, fee schedules, or application guidelines – are often difficult for new applicants to find. CSA encountered numerous out-of-date fee schedules and broken links. In several instances, CSA found contradictory permitting guidance within one website; in others, the online explanation of a process did not match the explanations on paper forms or that are given orally by staff.

iii. Applicants pay many separate fees, at unpredictable times, in unpredictable amounts

Most of the permits in this analysis involve a one-time or recurring payment to a City department. Opening a business might involve payments to a dozen or more state and local agencies; the payment amount may not be clear until late in the permitting process. One survey respondent complained of unpredictable “lump sum payments” at permit issuance or renewal. Few departments allow online payment; most require a paper check, money order, or cash submitted in person or by mail.
Even in the five consolidated billing departments, separate payments were sometimes necessary. For example, while fees for the certificate of sanitation/permit to operate are included in a consolidated bill, Weights and Measures permit fees must be submitted separately by mail, and payment for the Food Safety Manager Certificate requires two separate money orders – even though the DPH Environmental Health Branch provides all these services.

**Preliminary Recommendations**

To refocus business processes on customer needs, permitting departments should:

**6. Allow more applications to be submitted online**

Most applicants would prefer to avoid time-consuming trips to permit offices; online permit submission would eliminate the need to travel to disparate physical office locations. Of the 19 permit processes reviewed in this analysis (not including State or federal agencies), CSA suggests the following list of permits as good candidates for online submission:

<table>
<thead>
<tr>
<th>Permits</th>
<th>Department</th>
<th>Currently accepted by mail?</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Business Registration</td>
<td>Assessor</td>
<td>X</td>
<td>Should be allowed to submit online unless replaced by consolidated from or other means. See recommendations 2 and 4.</td>
</tr>
<tr>
<td>Fictitious Business Name</td>
<td>County Clerk</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Food Safety Manager Certificate</td>
<td>Public Health</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Automated Point of Sale Registration &amp; Weighing/Measuring Device Permit</td>
<td>Public Health – Weights &amp; Measures</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Café Tables and Chairs</td>
<td>Public Works</td>
<td>X</td>
<td>Online application in development</td>
</tr>
<tr>
<td>Extended Hours &amp; Place of Entertainment</td>
<td>Entertainment Commissions</td>
<td></td>
<td>Already uses an online application (SmartPDF) and online payment service for Limited Live Performance</td>
</tr>
<tr>
<td>Place of Assembly</td>
<td>SFFD</td>
<td>X</td>
<td>SFFD strongly advises applicants to submit in-person in case an application is flagged from the beginning. An online application can catch flags sooner and lower backlog from on-site visits.</td>
</tr>
</tbody>
</table>

Table 2 - Potential permits for online submissions
In general, if a permit can be accepted by mail, it should be accepted online. Digital signature presents a notable obstacle; internal policy changes or city code changes may be necessary to overcome the need for a physical (or “wet”) signature.

Permits less appropriate for online submission include:

- **Permits of high complexity**, where the applicant should speak with a knowledgeable staff member, such as the DPH Certificate of Sanitation or Planning Department Permits.
- **Permits requiring a physical inspection**, including fingerprinting, such as the SFFD Open Flame Use Permit or SFPD Valet Parking Permit.

As more permits become available online, applications can be consolidated at the SF Business Portal website. One survey respondent asked for “a one-stop portal to see what permits I need, permits I have, their expirations, and renewal dates.” The New York Business Acceleration Team⁹ CSA interviewed is aiming for a portal that includes this kind of live status capability.

7. **Enhance department websites to address customer needs**

Most applicants begin the permitting process with online research. While the SF Business Portal Team aims to be a clearinghouse and starting point of permitting information, applicants will inevitably enter the process from any permitting websites they first encounter. Department websites need to offer correct, up-to-date, consistent information. CSA recommends that permitting departments prioritize an end-user focused revision of permitting websites to make them more user-friendly and applicant-centric.

Guidelines to use when revising websites:

- Ensure that all hyperlinks work and that all forms and fee schedules are and remain up-to-date.
- Include customers in the design of the site by soliciting customer feedback about what is and is not clear.
- Use consistent terminology, format, and process steps to explain permits online, in writing, and in person.
- Direct or refer customers to the SF Business Portal (http://businessportal.sfgov.org) as well as to other permits they are likely to need.
- Explain clearly the likely timeline and fees associated with the permit application, as well as any steps the customer needs to take before applying. CSA’s process maps in Appendix D can aid this explanation.

---

The Planning Department has an excellent website\textsuperscript{10} specifically for Restaurant/Food Service Use that can be used as a model for other departments. Although the zoning approval process is extremely complex, Planning provides a high-level process map\textsuperscript{11}, explanatory packets specific to each permitting process\textsuperscript{12}, and links to related permits in other departments, including SF Business Portal.

8. Streamline payment methods

Departments should begin accepting payment electronically wherever possible, including debit card, credit card, or electronic payment services. Limiting applicants to write paper checks, obtain money orders from a bank, or bring large sums of cash in person is an inconvenience.

To address customer complaints about unpredictable payments, more departments could eventually be included in the TTX consolidated billing program. In order for the expansion of consolidated billing to be feasible, TTX data sharing issues mentioned earlier must be resolved.


APPENDIX A: SURVEY FINDINGS

CSA sent an electronic survey to everyone with a recorded email address who approached the Office of Small Business for help starting a food-related business between July 1, 2013 and June 30, 2015. From 244 invitations, 15 valid responses were received (valid responses identified as respondents who indicated that they did open a business and completed most survey questions).

The average new food business took nearly three months to open, with another month after opening to complete permitting. According to respondents, a new business owner can expect to spend about 26 hours of hands-on time dealing with permitting issues. Respondents were most frequently frustrated by the DBI Building Permit process.

What did survey respondents say would improve permitting?

1. Better understanding of the process
   - “First time business owners could benefit from an agent within the OEWD that can spend the time to sit down with the CEO and a business plan to work out a permitting critical plan.”
   - “Understanding which permit relied on which other department. A lot of involvement from previous owner with signatures for each government agency.”
   - “A listing of what permits that are required and what the lead times to obtain permits.”
   - “One point person who guides through each department.”
   - “Knowing in advance that an inspection was required and getting that inspection in a timely manner.”

2. Co-located permitting departments
   - “If they could all be in one place in one building. I had to go to a different building to go to the assessor.”
   - “Centralization of departments for restaurants, or one clear document flowchart depicting steps. The entire process was very frustrating and inefficient.”
   - “Combining the permits would be a GREAT help! The need to go to so many different departments/people is a hassle.”

3. Increased communication and efficiency
   - “There should also be a way to track where I'm at in the permitting process. I submitted something to the department of health and it's just sitting there, and I've got no idea of the status.”
• “Streamline the process: some of the paperwork is extremely redundant. There should be basic information each agency needs that is the same and should be accessible to the agency especially if they rely on 1 to be completed before the other. I have a spreadsheet that I followed to keep it all organized. This city is 2x harder than any other city to do business with for a small business owner. 3 months is way too long to complete paperwork”

• “More stability within the ranks of the agencies. I keep getting new people that set the entire process back each time they need to come "up to speed" on my project, including what I find to be completely unnecessary investigations into my paperwork with other departments; DPH, I'm looking at you.”

4. More online engagement
• “Make a one stop portal to see what permits I need, permits I have, their expirations, and renewal dates. I also need options on how to pay, i.e. payment plans over the course of the year, so that I don't get hit with lump sum payments”

• “Easier to do business with, online accessible, not silo by department of gov agencies, license 123 is helpful but does not detail out the dependencies. The time it takes to wait in the lines, deal with the special requests of each agency fill and file not to mention the hefty fees associated with each”

• “Online applications”

---

![Bar chart showing the most business owners underestimated permitting difficulty.](chart.png)
APPENDIX B: DBI PERMIT APPLICATION DATE TO ISSUE DATE DURATION
PRELIMINARY ANALYSIS

CSA used FY 04-14 data on all filed and issued permits from DBI. The analysis used permit processing turnaround time, defined as the difference between permit issued date and the application date. The turnaround time serves as a proxy, since the dataset include all the permits issued, not just those related new restaurants.

CSA found that projects with costs up to $100,000 have a median turnaround time of seven calendar days, projects with costs from $100,001-2,499,999 have a median turnaround of 28 calendar days, and projects with costs higher than $2.5 million have a median turnaround of 41.6 calendar days.

Time to Process DBI Permits by Project Cost

The above box and whisker plots show the turnaround time, defined as the difference between permit issued date and the application date, of all building permit applications in FY14. Each blue dot is one building permit application. The data set includes both restaurants and other types of businesses.
## APPENDIX C: PERMIT-RELATED SYSTEM INVENTORY

At the request of the SF Business Portal Team, CSA identified the following software applications that support permit processes in the reviewed departments.

<table>
<thead>
<tr>
<th>System/Tools</th>
<th>Description</th>
<th>Used by</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accela Automation</td>
<td>New system shared between DBI, Planning, and other departments (implementation in progress)</td>
<td>DBI, DPW, Planning, SFPUC</td>
</tr>
<tr>
<td>AS 400</td>
<td>Tax assessment database, includes EZ-Access, e-file web portal</td>
<td>ASR</td>
</tr>
<tr>
<td>Aumentum</td>
<td>Tax license billing database</td>
<td>TTX</td>
</tr>
<tr>
<td>Building Eye</td>
<td>Public-facing GIS mapping application</td>
<td>Planning</td>
</tr>
<tr>
<td>Customer Care and Billing</td>
<td>Oracle-based system for SFPUC billing</td>
<td>SFPUC</td>
</tr>
<tr>
<td>Environmental Health Department (EHD)</td>
<td>DPH main tracking database for health permitting</td>
<td>DPH</td>
</tr>
<tr>
<td>License Query System</td>
<td>Department of Alcoholic Beverage Control database for alcoholic beverage license</td>
<td></td>
</tr>
<tr>
<td>Microsoft Access</td>
<td>Appropriate for small-scale data tracking without advanced business needs</td>
<td>DPH, W&amp;M</td>
</tr>
<tr>
<td>Microsoft Excel</td>
<td>Used for various internal processes or when major databases do not capture needed information</td>
<td>DPH, Entertainment Commission, SFPD Alcohol Liaison Unit, SFPUC</td>
</tr>
<tr>
<td>Permit Tracking System (PTS)</td>
<td>Existing building permitting database; will be phased out when Accela launches</td>
<td>Planning, SFPUC</td>
</tr>
<tr>
<td>Property Information Map (PIM)</td>
<td>Database of geocoded information about land parcels</td>
<td>Planning</td>
</tr>
<tr>
<td>TLA1 / LICA</td>
<td>Tax Collector billing system</td>
<td>DPH, TTX, SFFD</td>
</tr>
</tbody>
</table>
APPENDIX D: PROCESS MAP AND SUMMARY FOR EACH PERMIT RELATED TO OPENING A NEW RESTAURANT

This includes all permit specific process maps with the exceptions of Building Permit, Sign Permit, IRS Employer Identification Number, Planning, Seller’s and SFPD ABC Liaison Unit.