



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
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DATE: May 27, 2015

SUBJECT Improving San Francisco's restaurant permitting processes

CC: Jason Hemmerle, Senior Project Manager, San Francisco Business Portal Team
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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 country¹, 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 permits⁷ 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.

¹ See Bloomberg Visual Data: Most Eateries per Capita: U.S. Cities at <http://www.bloomberg.com/visual-data/best-and-worst/most-eateries-per-capita-us-cities>. The statistics is specific to San Francisco-Oakland-Fremont, CA MSA, which includes San Francisco, Alameda, Marin, Contra Costa, and San Mateo County

² See <http://www.jamesbeard.org/awards/about> and <http://www.foodandwine.com/articles/tribute-james-beard-uncensored>

³ James Beard Awards at <http://www.jamesbeard.org/blog/complete-2015-jbf-award-nominees>

⁴ The Economic Impact of San Francisco's Nightlife Businesses at <http://sfcontroller.org/Modules/ShowDocument.aspx?documentid=2953>, p. 8 and 20

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>

Restaurant-Related Permits Reviewed

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

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.

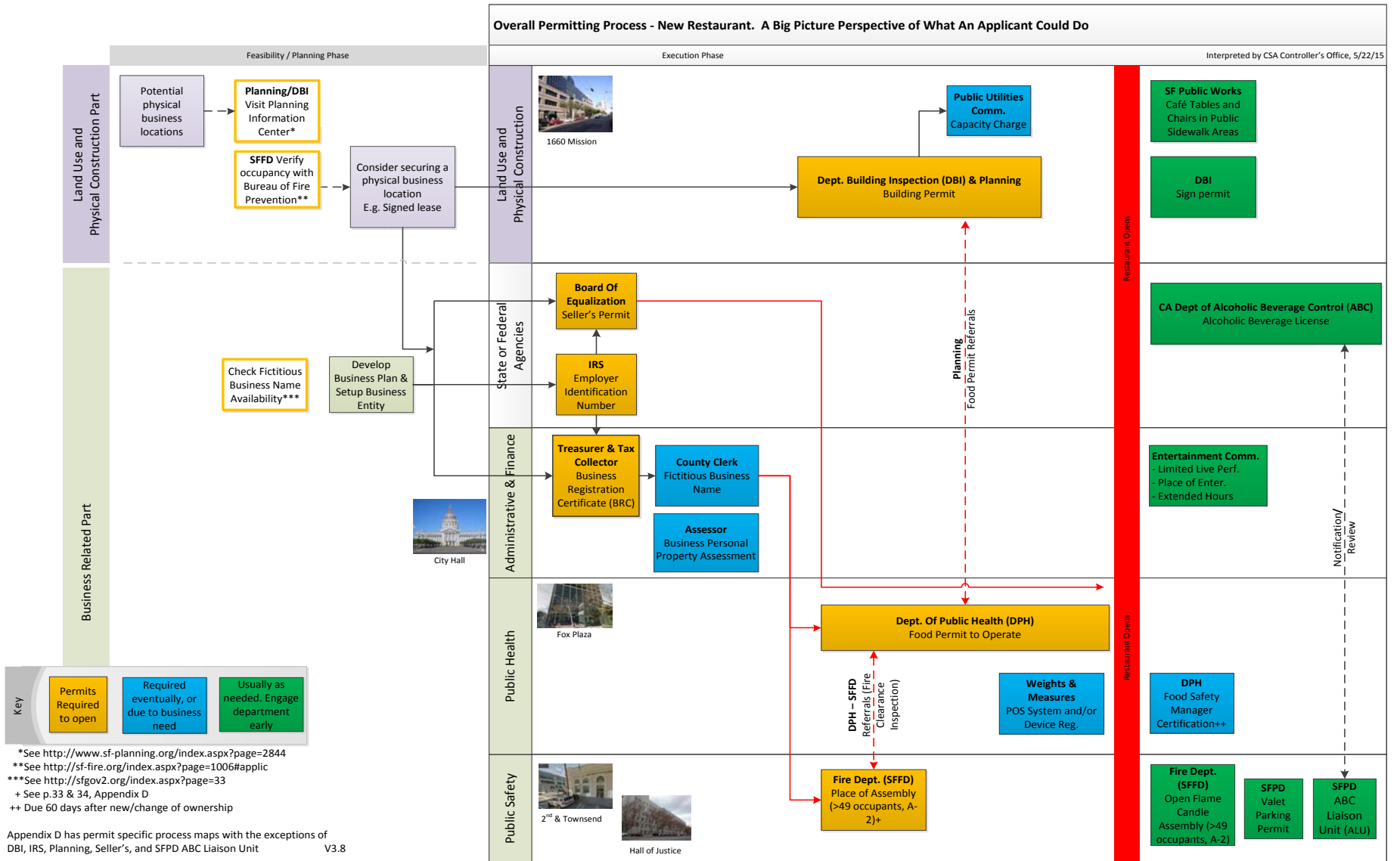


Figure 1 – An Overall Permitting Process Across City Departments - Opening A New Restaurant

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 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 four departments reported significant problems in back-end coordination with TTX. 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.

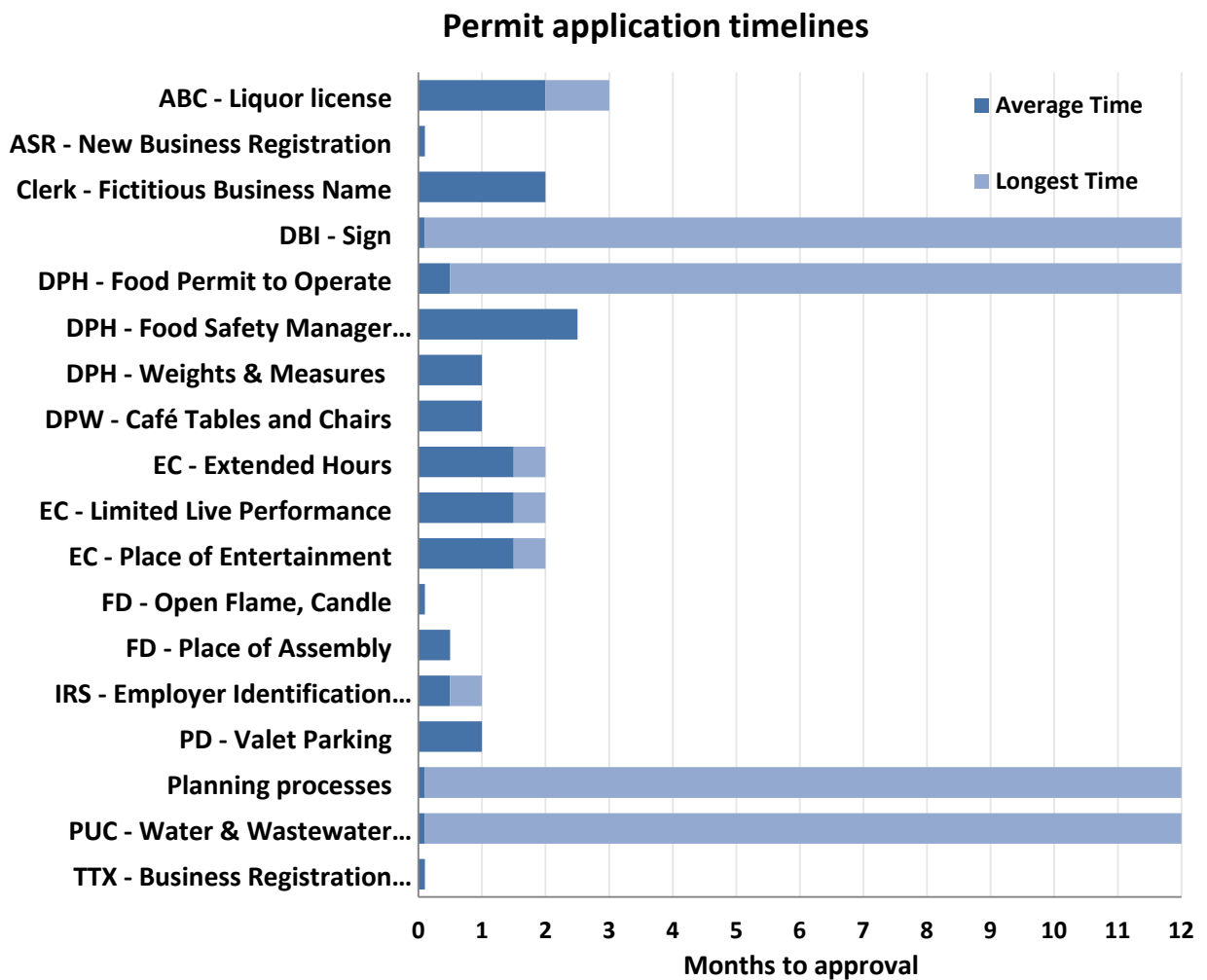
In addition, City property tax revenue depends in part on the Assessor's office Business Personal Property Division (BPP) identifying new businesses in the City each year. Most of these new businesses register with TTX, and in prior years, TTX has sent an annual data extract of these businesses to BPP. This data exchange did not happen in 2015, and many businesses are likely to be missed from the tax rolls, resulting in a potential decrease in tax revenue. TTX is aware of the issues and is engaging with high impact departments such as DPH to resolve these issues.

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 process⁸, 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, DPW, and with consolidated billing departments

TTX must work collaboratively with other departments to repair needed data linkages. A regular 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.

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.

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 expeditors 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:

Permits	Department	Currently accepted by mail?	Notes
New Business Registration	Assessor	X	Should be allowed to submit online unless replaced by consolidated form or other means. See recommendations 2 and 4.
Fictitious Business Name	County Clerk	X	-
Food Safety Manager Certificate	Public Health	X	-
Automated Point of Sale Registration & Weighing/ Measuring Device Permit	Public Health – Weights & Measures	X	-
Café Tables and Chairs	Public Works	X	Online application in development
Extended Hours & Place of Entertainment	Entertainment Commissions		Already uses an online application (SmartPDF) and online payment service for Limited Live Performance
Place of Assembly	SFFD	X	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.

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.

⁹ New York Business Acceleration Team is a SF Business Portal Team counterpart in New York City, NY. Website location: <http://www.nyc.gov/html/nbat/html/home/home.shtml>

The Planning Department has an excellent website¹⁰ 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 map¹¹, explanatory packets specific to each permitting process¹², 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.

¹⁰ See website <http://www.sf-planning.org/index.aspx?page=2767>, “Permit How-To Guides”; and <http://www.sf-planning.org/index.aspx?page=2844>, “Restaurant/Food Service Use”

¹¹ See website <http://www.sf-planning.org/index.aspx?page=2753>, “Process Overview”

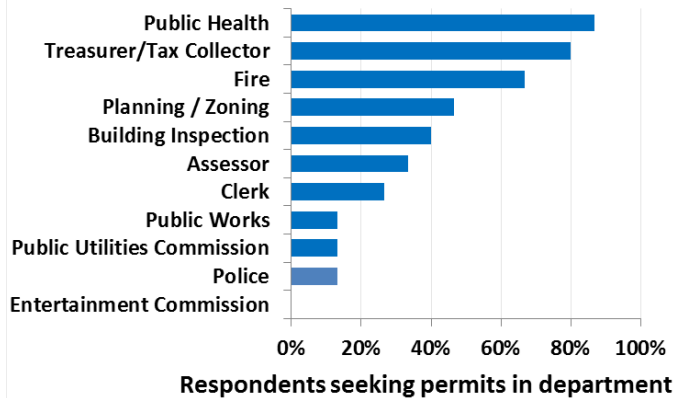
¹² See website <http://www.sf-planning.org/index.aspx?page=2844#apps>, “Applications & Handouts”

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.

TTX and DPH are most common restaurant permitting departments



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.”

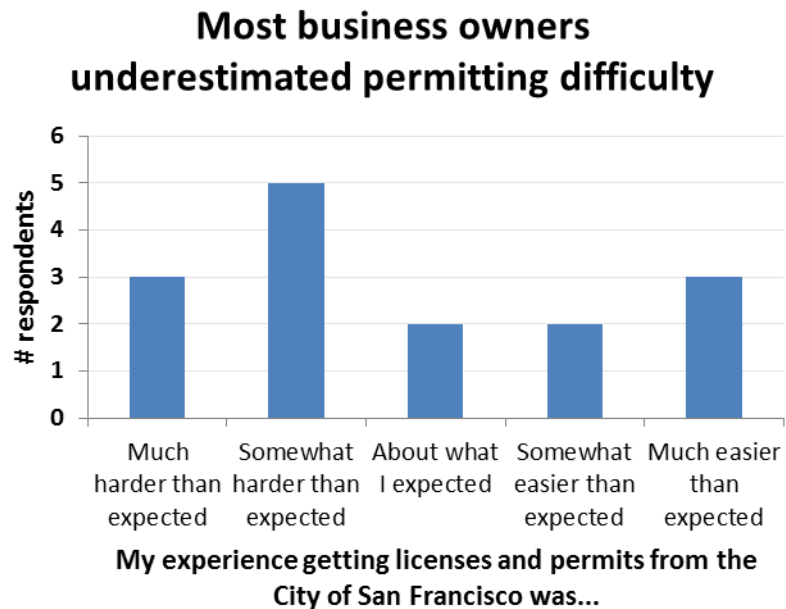
3. Increased communication and efficiency

- “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”

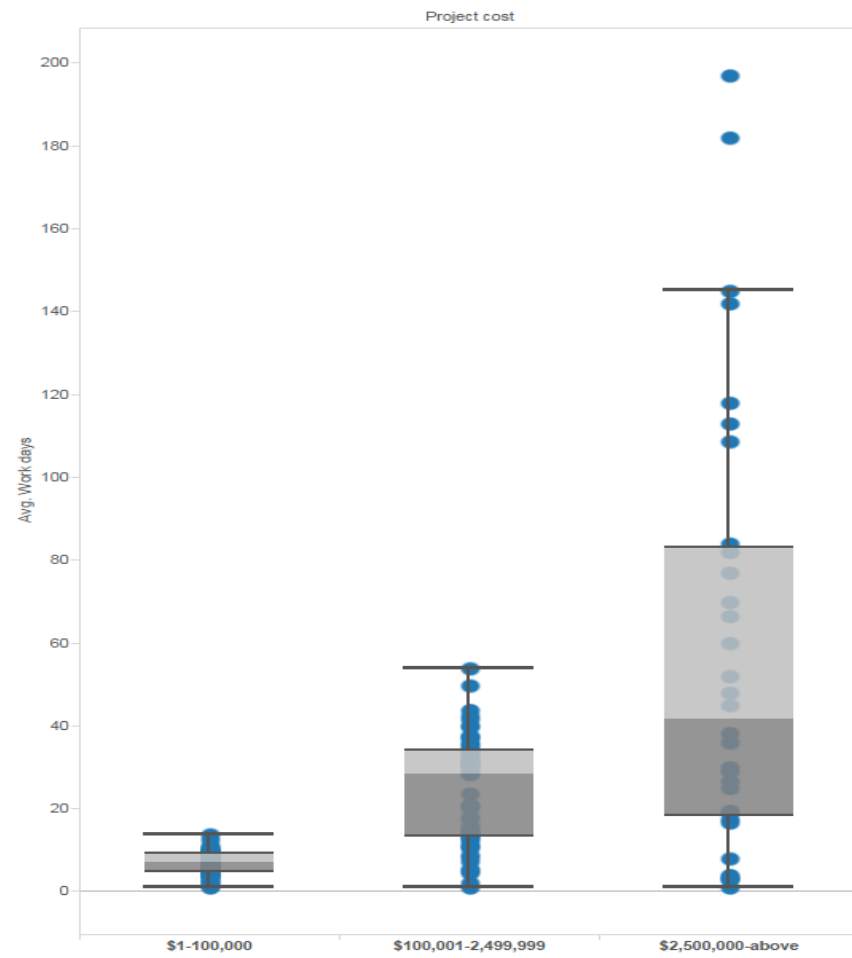


APPENDIX B: DBI PERMIT APPLICATION DATE TO ISSUE DATE DURATION PRELIMINARY ANALYSIS

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.

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

APPENDIX D: PROCESS MAP AND SUMMARY FOR EACH PERMIT RELATED TO OPENING A NEW RESTAURANT

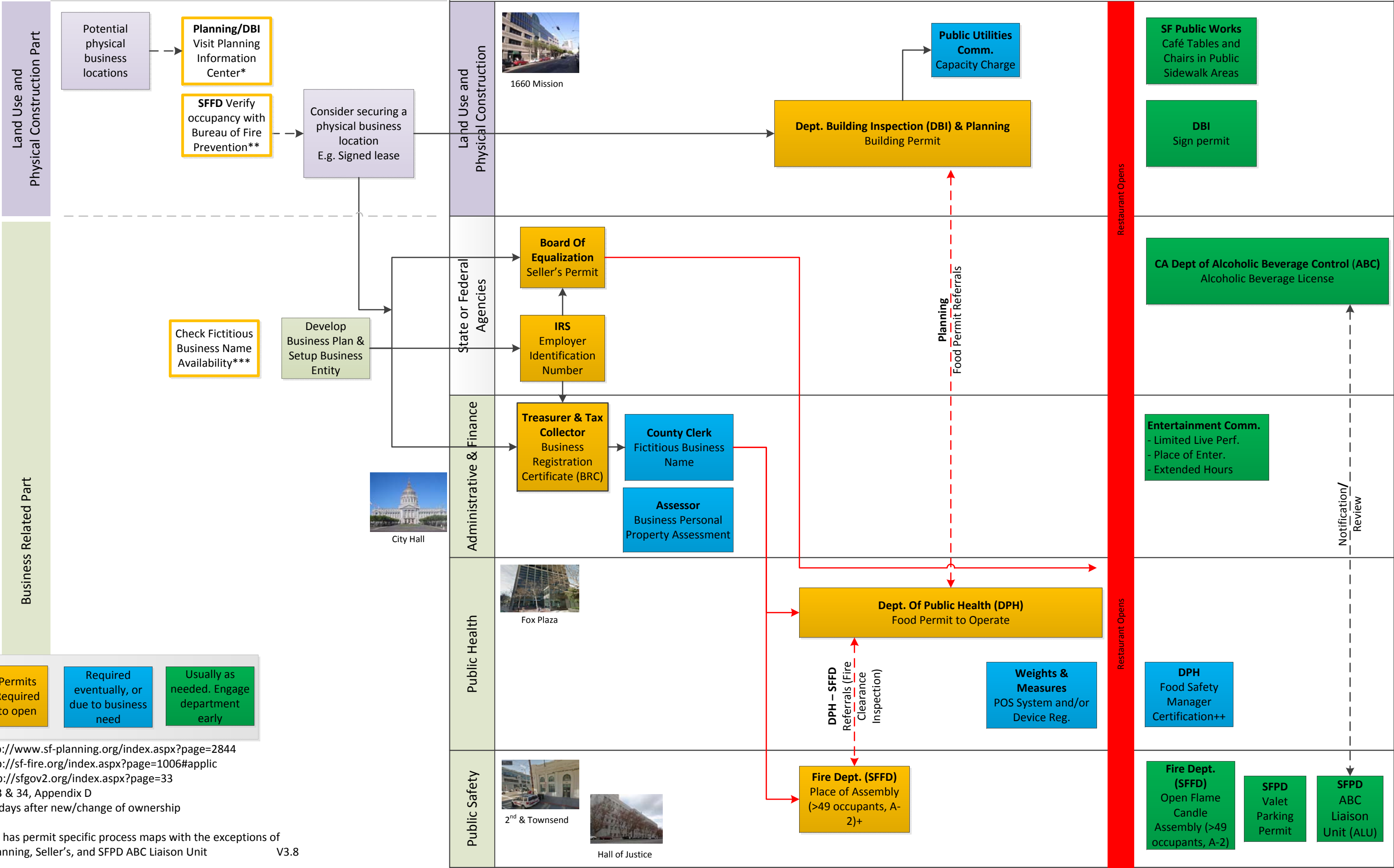
This includes all permit specific process maps with the exceptions of Building Permit, Sign Permit, IRS Employer Identification Number, Planning, Seller's and SFPD ABC Liaison Unit.

Overall Permitting Process - New Restaurant. A Big Picture Perspective of What An Applicant Could Do

Interpreted by CSA Controller's Office, 5/22/15

Feasibility / Planning Phase

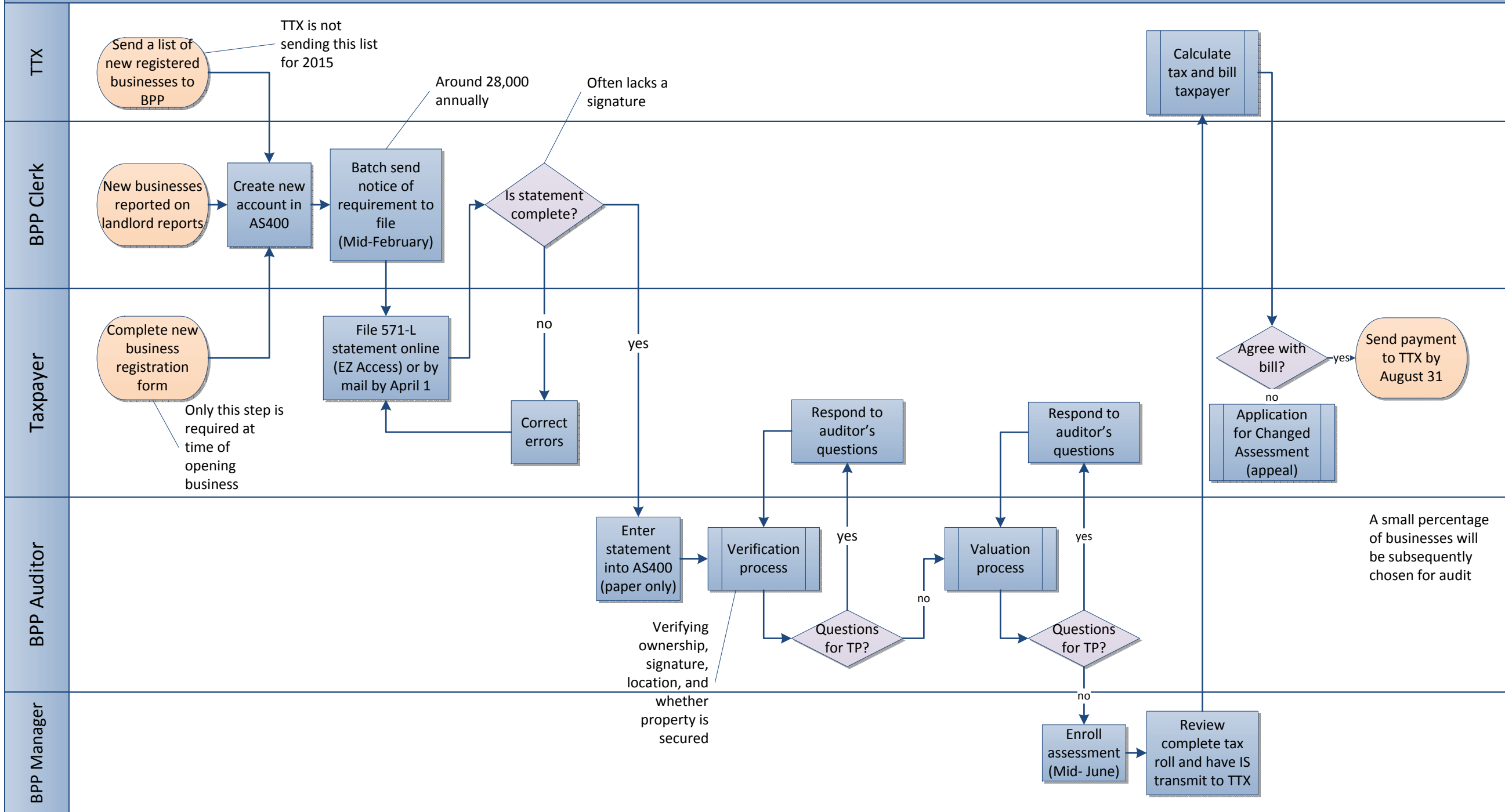
Execution Phase



*See <http://www.sf-planning.org/index.aspx?page=2844>
 **See <http://sf-fire.org/index.aspx?page=1006#applic>
 ***See <http://sfgov2.org/index.aspx?page=33>
 + See p.33 & 34, Appendix D
 ++ Due 60 days after new/change of ownership

Assessor – New Business Personal Property Assessment

Created by Ryan Hunter, CSA, 2/12/2015



Assessor - New Business Personal Property Assessment

Project Purpose

The City Services Auditor, City Performance Unit (CSA), in collaboration with the San Francisco Business Portal, met with staff at the Assessor's Office to map the process for a new Business Personal Property (BPP) assessment. A separate CSA team is in the process of more detailed mapping and providing recommendations to the Assessor's workflow.

About the Business Personal Property Assessment

All new businesses in San Francisco must register with the Assessor's office, so that the Assessor's office can determine the value each year of their taxable business assets.

Volume

The Assessor's Office registers approximately 6,000 new businesses each year.

The annual assessment process begins by sending notices to 28,000 registered businesses in San Francisco.

Timeline

To register, a new business owner simply needs to submit a form. The annual assessment itself takes several months:

- Mid-February – Assessor's office sends all businesses notice of requirement to file
- April 1 – deadline for businesses to submit a completed 571-L Business Property Statement. Businesses are penalized for sending later than May 7.
- Mid-April – BPP auditors begin to verify and value 571-L statements
- Mid-June – Completed tax roll sent to Treasurer/Tax Collector (TTX); TTX bills businesses
- August 31 – Deadline for businesses to pay tax bill.

Renewal and closure

Once registered, a business will automatically be sent a notice to file each year. If a business has personal property valued at \$100,000 or more, it is responsible for filing an annual 571-L statement even if it received no reminder notice. A business that escapes being enrolled with the Assessor and is caught may face up to four years of back assessments plus penalty and interest.

When a business closes, they are responsible for contacting the Assessor's office. If a business is sold, TTX will not permit the sale until the business owner settles any outstanding property assessments. Alternately, a business owner may notify BPP in writing of a business closure or wait for the annual notice to file and return it noting the closure.

Findings

1. At opening, a business owner need only fill out the registration form. No further action is necessary until the receipt of a notice to file.
2. BPP moved to an online, paperless filing system in 2004. In 2014, they began actively promoting paperless filing.
3. Many business owners are not aware of the Business Personal Property Tax, their filing obligations, and assessments.
4. Although BPP must work closely with TTX, linkages have broken down lately due to TTX's new Aumentum system.

Considerations

1. Many taxpayers who need to speak with BPP are routed incorrectly (by 311, for example) to other departments first. Better coordination among departments might reduce client frustration.

Assessor - New Business Personal Property Assessment

2. In previous years, TTX sent BPP a data extract of new businesses to enroll. Aumentum has eliminated fields necessary for BPP to properly incorporate new business registrations into AS400. To the extent that this change allows businesses to go undetected by BPP, the city may lose significant tax revenue.
3. Like other departments, BPP reported problems syncing their data with TTX records; for example, a business that registered with BPP but was also imported from the TTX database with a different name may have two AS400 accounts and receive two tax bills. A unified assessment and tax system or a single unique identifier for a business might eliminate such problems.

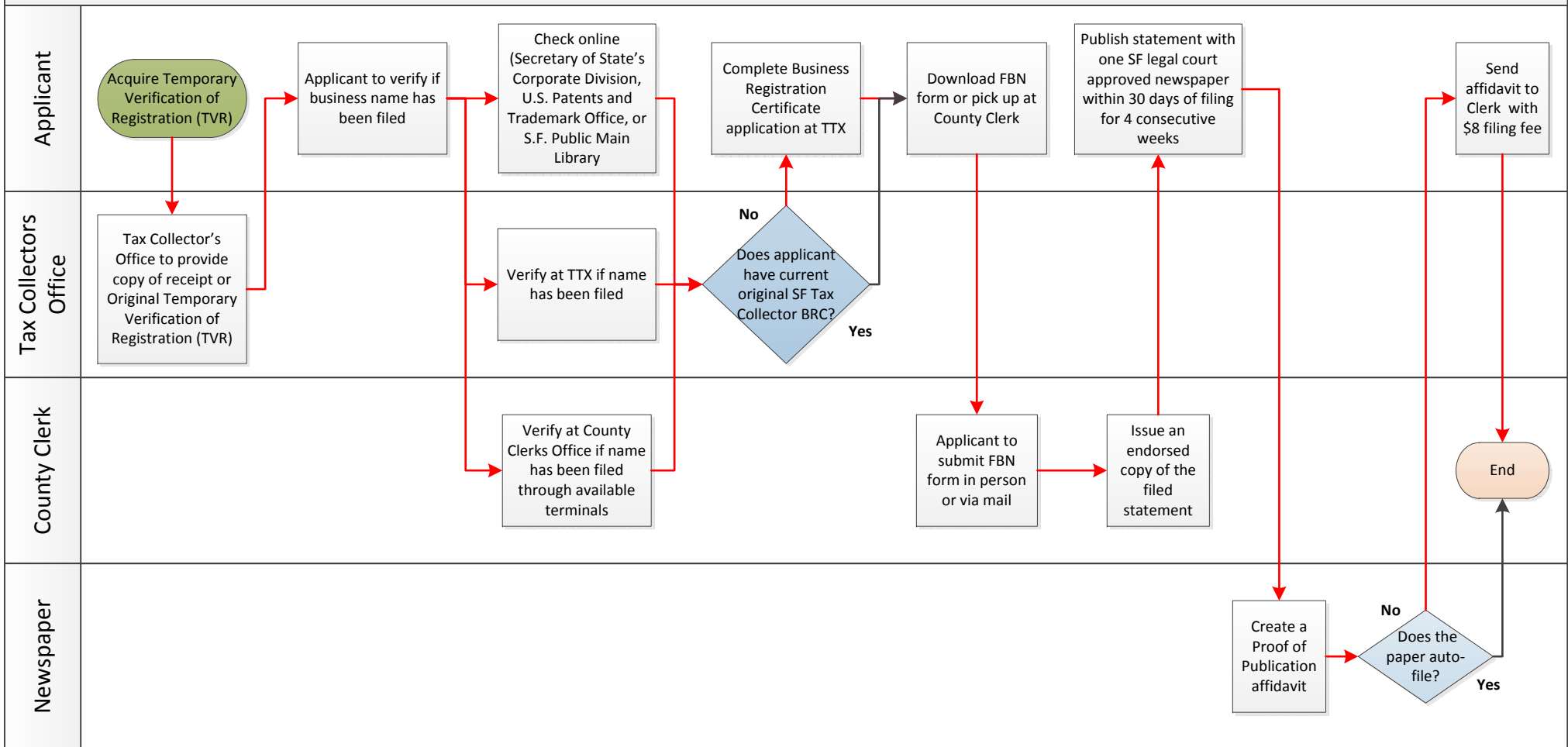
Computer systems involved

- AS400 (including EZ Access/E-file web portal)
- Linkage to TTX systems, now disrupted

For more information, please contact Ryan Hunter at (415) 554-7533

County Clerk – Fictitious Business Name Statement As-Is Permitting Process

Produced by Catherine Omalev, CSA 2/12/14



Text in **green** indicates beginning of process. Text in **blue** indicate binary options that can occur. Text in **orange** indicates end of process. The **red** line indicates the normal route of the process.

Process for Fictitious Business Name Statement

Project Purpose

The Controller's Office City Services Auditor, City Performance Unit (CSA), in collaboration with the San Francisco Business Portal, met with the Office of the County Clerk to map the process for verifying if a business name has been filed. CSA mapped the as-is process, where future analysis could provide recommendations to enhance or automate portions of the workflow.

About the Fictitious Business Name Statement

Filing of the Fictitious Business Name Statement (FBN) is handled by the Office of the County Clerk. Registrants are responsible for both the research and verification of the FBN as well as publishing statement within 30 days of filing.

Volume

The department processes around 30-40 new applications daily. They do not keep track of renewals.

Timeline

This process, if done correctly, can take 6-8 weeks. This is dependent on the applicant filing the publication in a timely manner.

Renewal and closure

The FBN statement is valid for 5 years after filing, wherein the County Clerk will send businesses an update to renew. Any changes the owner makes must first go to Tax Collector's office wherein they must return to County Clerk with the temporary verification record to re-do the process. If there are no changes made to the information previously filed, a re-publication is not required. If business owners decide to close or not renew their FBN statement, they are required to file a Statement of Abandonment.

Findings

1. There are two instances where the applicant is required to be at the Office of the County Clerk physically. The applicant must provide the Temporary Verification of Registration when applying for FBN and again after four weeks to file the proof of publication affidavit.
2. It is the responsibility of the applicant to verify their desired business name (are not used by other businesses elsewhere). This can be done through several online portals (i.e. Secretary of State Corporate Division, U.S. Patents and Trademark Office), or through Tax Collector's Office, San Francisco Public Main Library, or at County Clerk's Office through their available terminals.
3. Applicants are encouraged to check the business name before completing a business registration certificate, as the County Clerk does not verify.
4. A wet signature by the business owner is required, but any person with valid identification can submit the FBN form on the owner's behalf in person.
5. The first publication of FBN must be published within 30 calendar days after filing FBN with a legally adjudicated newspaper.
6. Publication is required if the applicant 1) is filing for the first time, 2) made any changes to the information they filed in the past, 3) allowed the previous statement to expire more than 40 days and 4) files a Statement of Abandonment or a Withdrawal of Partnership (\$38 filing fee for each) unless a FBN statement of was filed more than 5 years ago.
7. 20-30% of applicants do not come back to follow up the applications with publications.
8. The total cost for filing including publication is \$55. There is an \$11 charge for each additional business name or each additional registrant (owner) on the same statement.

Considerations

1. The department could increase outreach efforts to ensure new applicants are aware of the publishing deadline to avoid delay in the process.

Process for Fictitious Business Name Statement

2. As only a wet signature is required from the business owner to file a FBN, the department should consider transitioning to digital signing that is encrypted.

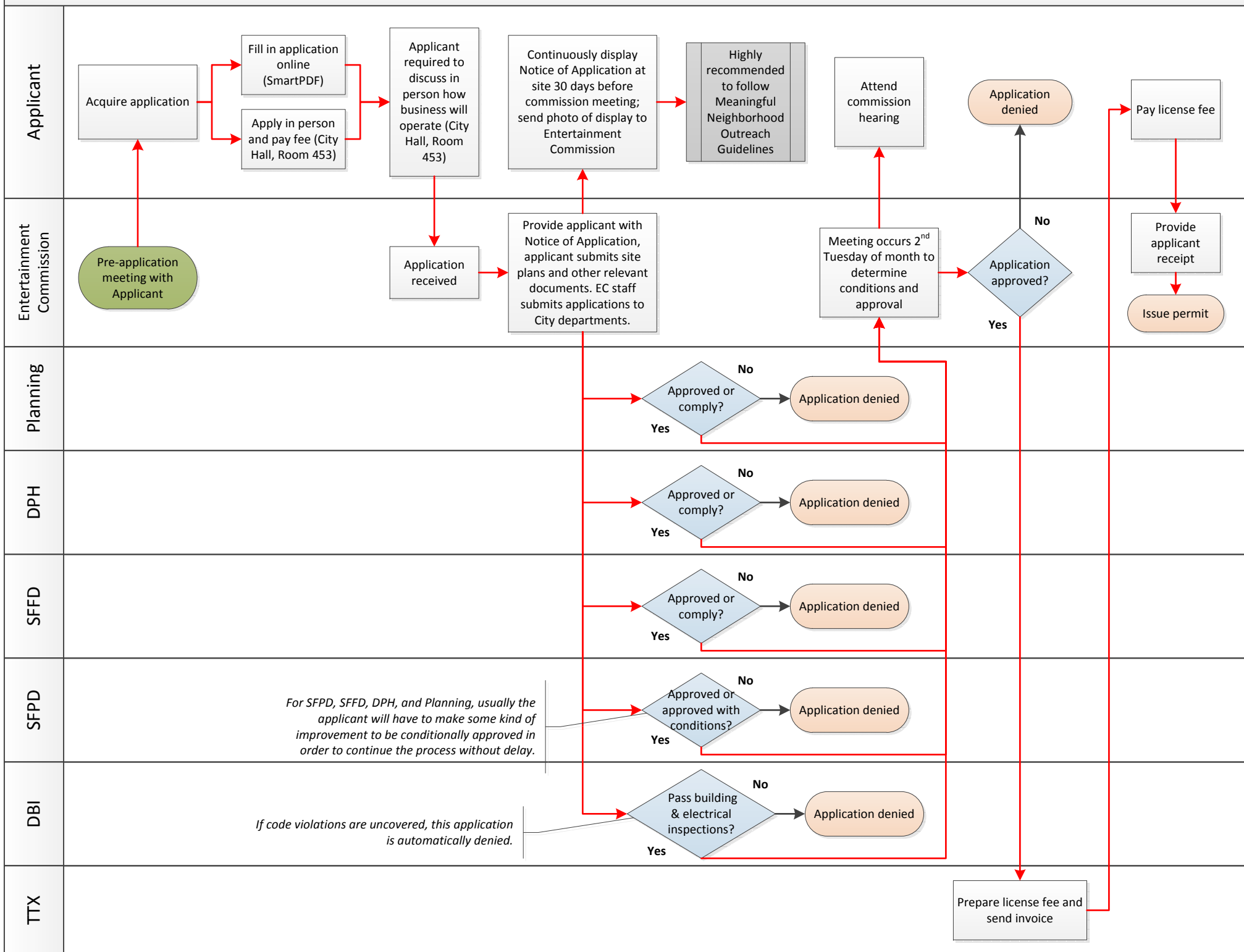
Computer systems involved

The department uses Aumentum for internal tracking with Tax Collector's Office.

For more information, please contact Catherine Omalev at (415) 554-7524.

Extended Hours As-Is Permitting Process

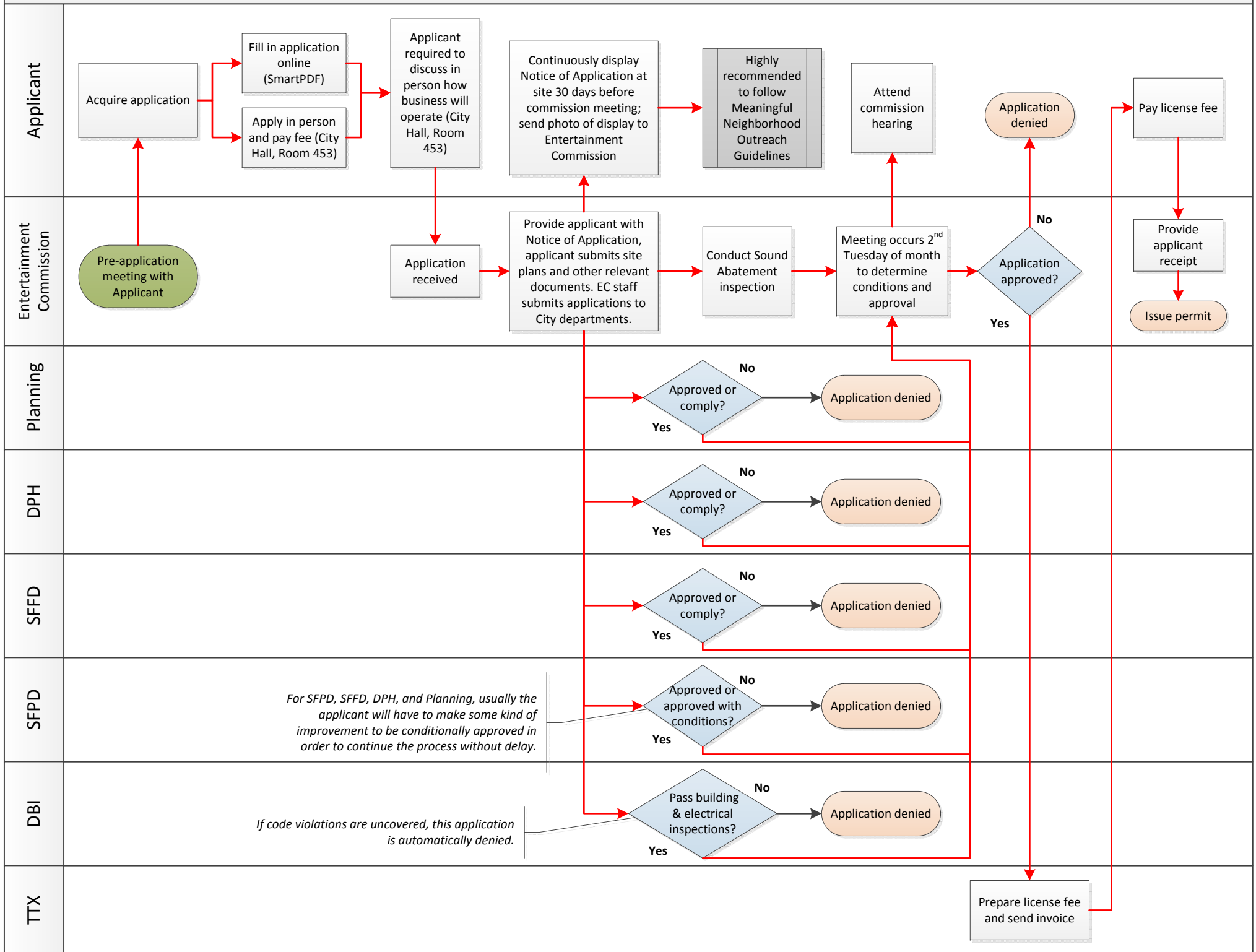
Prepared by: Catherine Omalev, CSA 5/26/15



Text in green indicates beginning of process. Text in blue indicate binary options that can occur. Text in orange indicates end of process. The red line indicates the normal route of the process.

Place of Entertainment As-Is Permitting Process

Prepared by: Catherine Omalev, CSA 5/26/15



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Permit Process for Place of Entertainment and Extended Hours Permits

Project Purpose

The Controller's Office City Services Auditor, City Performance Unit (CSA), in collaboration with the San Francisco Business Portal, met with the Entertainment Commission to map the permitting processes for Place of Entertainment and Extended Hours at restaurant and bar establishments. CSA mapped the as-is process, where future analysis could provide recommendations to enhance or automate portions of the workflow.

About the Place of Entertainment and Extended Hours Permits

The Entertainment Commission directly oversees the application and processes for six major permits that include three fixed place: Place of Entertainment, Extended Hours, and Limited Live Performance (LLP). Fixed place permits are considered the easiest to obtain, and also have the lowest volume of applicants, as most permits are renewals. Place of Entertainment permit is for live entertainment to be hired at a fixed place venue. The Extended Hours permit is for businesses open after 2 AM.

Volume

There are currently 120 Extended Hours permits in place and 335 Place of Entertainment permits in place.

Timeline

On average, these permit processes take 45-50 days from the initial application submittal to final permit issuance given the applicant provides the correct documentation and payment on time. Depending on the hearing calendar as well as getting sign-offs from the other departments, the best case scenario is 31 days (given no objections during posting period), where the worst case is 60 days or longer if there are corrections that need to be made indicated by other departments. Often an applicant applies for an entertainment permit long before the establishment is ready to open. Not all inspections need to be done prior to the hearing; however applicants must finish them within 9 months of the conditional grant of the permit.

Renewal and closure

The department deals with closure issues when permit holders continue to get bills post terminating their business. Currently, it is recommended that permit holders go directly to the Entertainment Commission for business closure forms; wherein the department will report this to the Tax Collector's office.

Findings

1. The application process is similar for both permits where site plans are needed, with the exception of Place of Entertainment, where an Alcohol Beverage Control license may need to be submitted.
2. 70% of Extended Hours permits are for restaurants, however, there are currently around 100 restaurant establishments that are operating out of compliance after hours. As reported, some are due to reasons unintentional (i.e. language barrier or owners not knowing a permit is required if their business is open after 2 am).
3. Applicants are allowed to submit applications online however; they are still required to physically go to the department in person (City Hall, Room 453). This is so Entertainment Commission can provide applicants the materials to consecutively display the Application Notification as well as discuss how the business will operate and how the permit will be used to manage ongoing operations.
4. Both permits require department signoffs from: Police, Fire, Building Inspection (Electrical), Planning, and Public Health. Applicants must schedule their signoffs with each department, with the exception of Planning done by Entertainment Commission.
5. The Entertainment Commission will conditionally grant permits until all inspections have been completed; however, Planning and Police approvals are required before the hearing.
6. Applicants are encouraged to immediately schedule inspection appointments with departments to help expedite their entire application process, as the Commission Hearing only occurs the second Tuesday of the month.

Permit Process for Place of Entertainment and Extended Hours Permits

7. If an applicant does not complete the department sign-offs within nine months, they must reapply and restart the entire process. However, the Entertainment Commission currently sends email reminders close to the deadline.
8. There is likely going to be an increase in the number of Extended Hours permits, as the Entertainment Commission is focusing internal efforts to ensure every business owner is in compliance.

Considerations

1. To avoid the issue of permit holders receiving bills post business closure, the Tax Collector's office should notify other departments of the closures so their own database is up-to-date.
2. Outreach efforts should focus on informing new business owners about the Extended Hours permit when they are obtaining their Business Registration Certificate number. Informing applicants immediately will help prevent this permit getting lost in the process of opening their business.

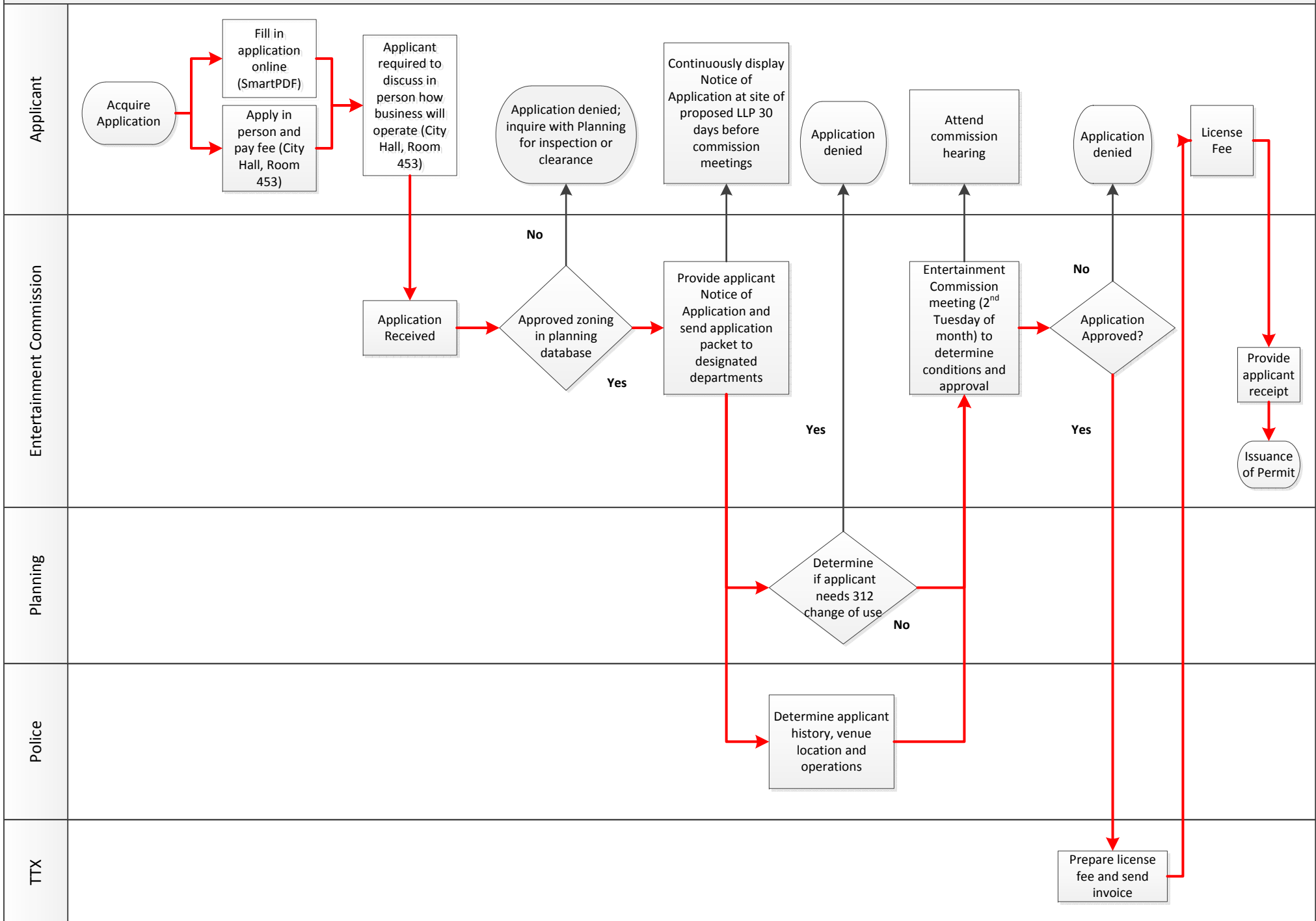
Computer systems involved

The Entertainment Commission uses Excel and also tracks licenses through LICA.

For more information, please contact Catherine Omalev at (415) 554-7524.

Entertainment Commission Limited Live Performance

Prepared by: Catherine Omalev, CSA 9/26/14



Permit Process for Limited Live Performance

Project Purpose

The City Services Auditor, City Performance Unit (CSA), in collaboration with the San Francisco Business Portal, met with the Entertainment Commission to map the permitting process for the Limited Live Performance permit. CSA mapped the as-is process, where future analysis could provide recommendations to enhance or automate portions of the workflow.

About the Limited Live Performance Permit

The Entertainment Commission directly oversees the application and processes for six major permits that include three fixed place: Limited Live Performance (LLP), Place of Entertainment and Extended Hours as well as three temporary: Billiards, Mechanical Amusement, and Amplified Sound Speakers. Fixed place permits are considered the easiest to obtain, and also have the lowest volume of applicants. There are approximately 15 fixed place permits distributed per month, where about five are designated for Limited Live Performance. The most volume heavy permits that Entertainment Commission handles are temporary types, which average to 600-700 per year.

Findings

1. LLP permit requires applicants to physically go to the department in person (City Hall, Room 453), even if an application is submitted online. This is so Entertainment Commission can provide applicants the materials to consecutively display the Application Notification for 30 days in order for the public to have the opportunity to attend the commission hearing.
2. Depending on when the permit is desired, applicants should plan accordingly as the commission hearings are scheduled twice per month, so there may be gap time in between when the Notification of Application is displayed and the hearing.
3. An application can be denied before the commission hearing takes place by the Planning department if it is determined that the site needs a Change of Use. If this occurs, it is the responsibility of the applicant to obtain a Change of Use approval before reapplying wherein the applicant is not refunded application fee.
4. An application can be put on hold if the Planning department indicates other requirements, such as a neighborhood notification process or a conditional use authorization.
5. The Entertainment Commission created the Meaningful Neighborhood Outreach, which is a guideline to help applicants most effectively communicate their venues' activities with the community. This is not a requirement, but the Commission gives high regard to applicants that actively participate in the guidelines.
6. There are either two or three instances throughout the permitting process when the applicant must physically be present. This includes submission of application to Entertainment Commission, attendance of hearing, and license fee payments to the Tax Collectors (if approved).
7. Applicants must pay two different fees (application fee and licensing fee), which can be costly. Permit approval after the hearing is conditional until the licensing fee is paid.

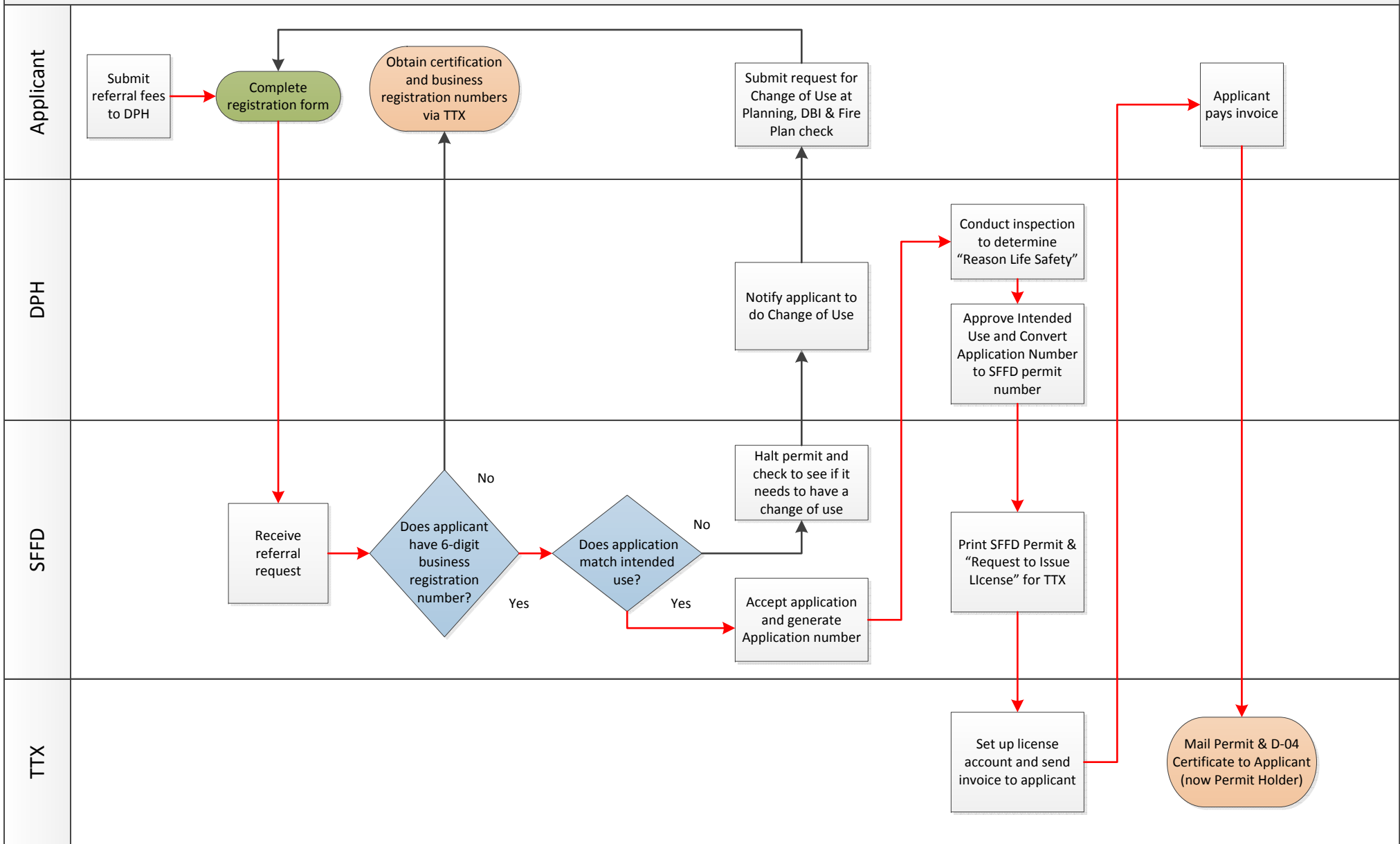
Considerations

1. Applicants can proactively take steps to avoid a denied application pre-hearing by inquiring with the Planning Department to determine if the zoning area is approved and if they need to complete a change of use (if new venue). Additionally, applicants can follow the Guidelines for Meaningful Neighborhood Outreach created by the Commission.
2. Currently, there is no way to reduce the number of times applicants must be present. The in-person interaction applicants have with Entertainment Commission after the submission of the application is important for the Commission to explain the process. Additionally, this meeting establishes the relationship between the department and applicant to discuss how the business will operate and how the permit will be used to manage ongoing operations.
3. The Department recommends reintroducing Firm Step to allow applicant to see live movement of permit.

For more information, please contact Catherine Omalev at (415) 554-7524

SFFD Place of Assembly Permit D-04 Occupancy >49

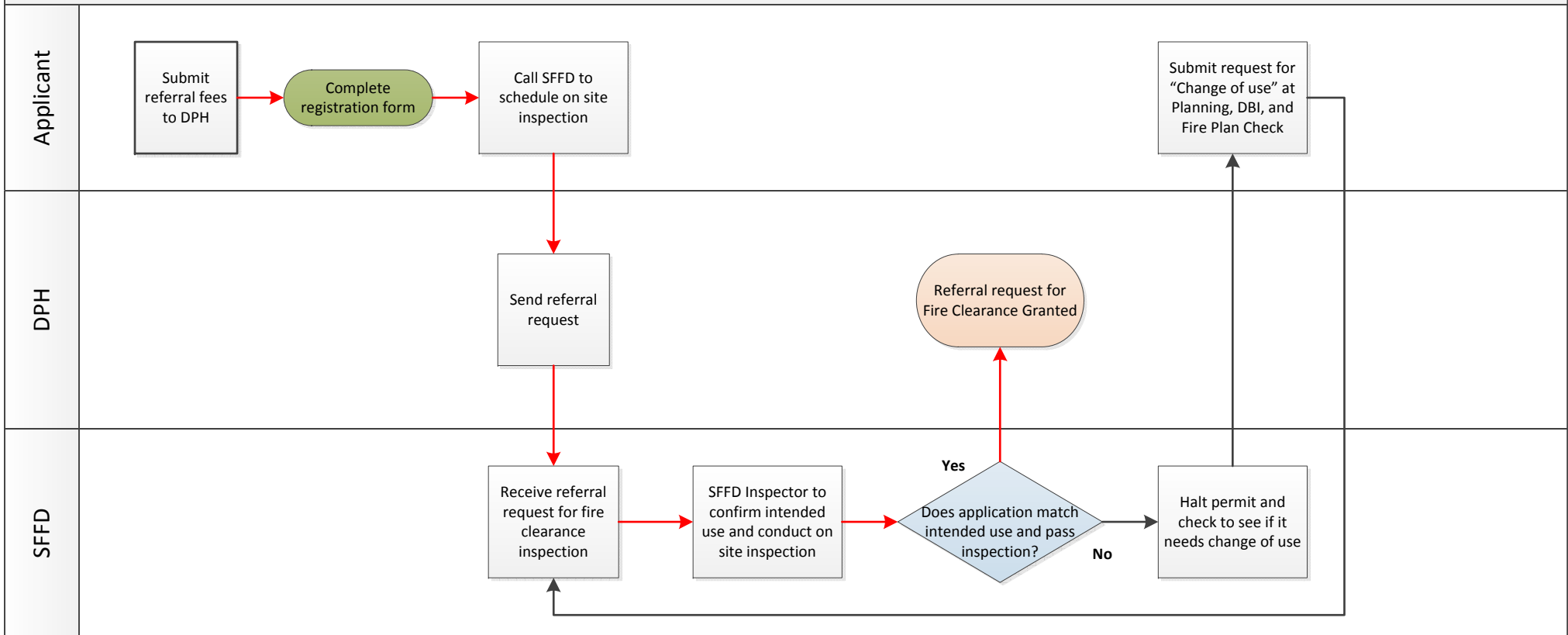
Prepared by: Catherine Omalev, CSA 10/24/14



Text in green indicates beginning of process. Text in blue indicate binary options that can occur. Text in orange indicates end of process. The red line indicates the normal route of the process.

SFFD Place of Assembly Permit D-04 Occupancy <49

Prepared by: Catherine Omalev, CSA 10/24/14



Text in **green** indicates beginning of process. Text in **blue** indicate binary options that can occur. Text in **orange** indicates end of process. The **red** line indicates the normal route of the process.

Permit Process for Place of Assembly

Project Purpose

The City Services Auditor, City Performance Unit (CSA), in collaboration with the San Francisco Business Portal Team, met with San Francisco Fire Department Bureau of Fire Prevention (SFFD) to map the permitting process for Place of Assembly permit. CSA mapped the as-is process, where future analysis could provide recommendations to enhance or automate portions of the workflow.

About the Place of Assembly Permit

The Bureau of Fire Prevention oversees all permits that pertain to the maintenance, storage, and handling of materials, or the processes that create hazardous conditions. The Place of Assembly permit for a restaurant has two processes based on the occupancy size that are more or fewer than 49 people.

Findings

1. There are different processes if restaurants serve more or fewer than 49 people based on different amenities each size restaurant can have (i.e. a restaurant with a capacity larger than 49 people can have different open flame and gas permits). For restaurants with occupancy greater than 49 people, the permit process involves more steps.
2. Permit application packets can be sent via mail to the Bureau of Fire Prevention or in person. The Fire Department strongly advises applicants to submit in person (Permit Section, 698 2nd Street, Room 109) in the case that applications are flagged from the beginning if the business registration number or address does not match.
3. The Fire Department has about 1,300 places of assembly with approved SFFD permits in its database.
4. Some business owners, new and existing, may not have a current business registration or fail to register their business location.
5. Turnaround time for joint approval can range from one week to six months. This depends on the number of things to do before fire clearance can be granted. It can take a long time if a Change of Use is required.
6. Approved places of assembly that are only going through an ownership change can take about one to two weeks. This depends on how long the list of additional approvals is required before fire clearance can be granted. Newly discovered illegal places of assembly will be much longer as it involves other City Departments and a possible hearing.
7. An applicant can be denied at the beginning stages of the process if the application does not match intended use (e.g. zoning) or if the business registration number does not exist.

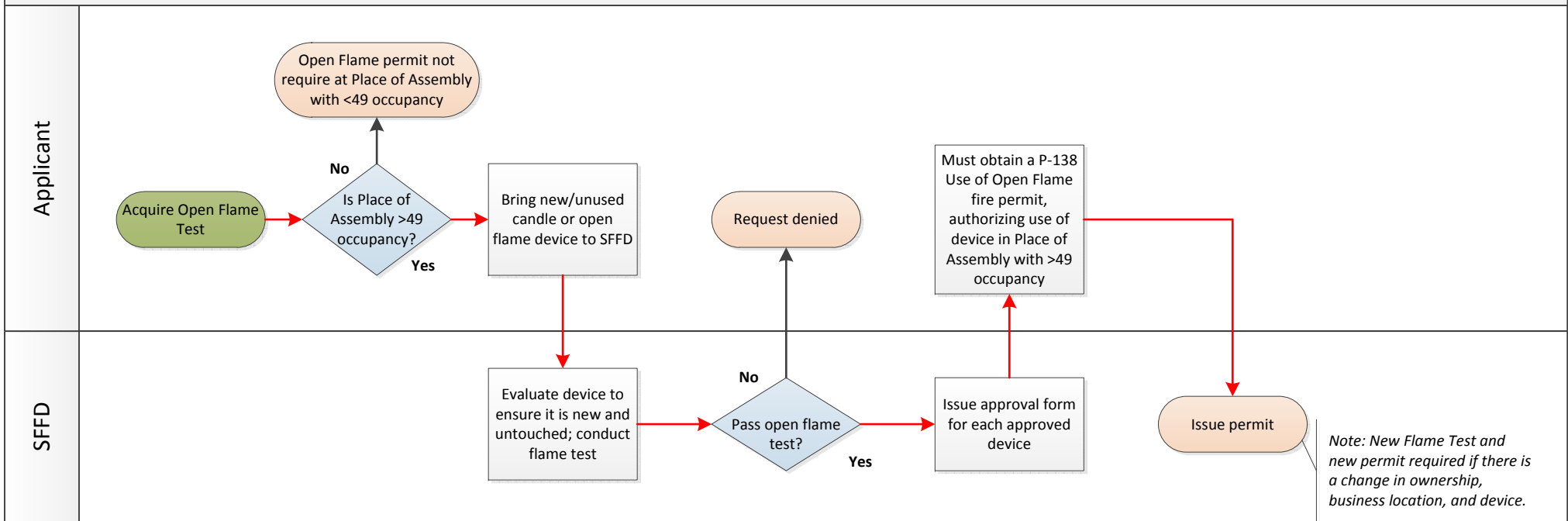
Considerations

1. Applicants are able to obtain a registration number without a location, which causes bounce back for SFFD because a fire inspection requires a physical address.
2. Applicants can proactively take steps to avoid a denied application by inquiring with Treasurer/Tax Collector (TTX) to confirm the business registration number is correct. Meeting with TTX can also ensure their application matches intended use before submitting to SFFD to avoid lag time in the process.
3. The Fire Department expressed concerns that there is no adequate monitoring to catch those who do not pay the invoice for annual renewal.

For more information, please contact Catherine Omalev at (415) 554-7524

SFFD – Open Flame Use Operational Permit As-Is Process

Produced by Catherine Omalev, CSA 2/9/15



Text in **green** indicates beginning of process. Text in **blue** indicate binary options that can occur. Text in **orange** indicates end of process. The **red** line indicates the normal route of the process.

Permit Process for Open Flame Use Operational Permit

Project Purpose

The Controller's Office City Services Auditor, City Performance Unit (CSA), in collaboration with the San Francisco Business Portal, met with San Francisco Fire Department Bureau of Fire Prevention (SFFD) to map the permitting process for having flame-lighted candles and other open flame devices at restaurant establishments. CSA mapped the as-is process, where future analysis could provide recommendations to enhance or automate portions of the workflow.

About the Open Flame Candle Assembly Permit

The Bureau of Fire Prevention oversees the permitting process for Place of Assembly permit holders interested in placing candles or utilizing other open flame devices at their business establishment. The department oversees new applications for this particular permit and conducts testing processes to approve the use of candles and open-flame lighting.

Volume

According to the Bureau of Fire Prevention, the department processes less than 12 Open Flame Operational permits per month.

Timeline

This permit can be processed in less than one day, depending on how long the wait time is at the Bureau of Fire Prevention. The applicant is required to submit this (and any fire permit) application a minimum of five working days prior to the beginning of usage.

Renewal and closure

The Open Flame Use Operational permit is valid for the duration an establishment is in business, until there is an ownership change. No closure is needed for this permit.

Findings

1. Any person interested in getting an open flame approval can acquire this permit for up to five different devices, regardless of business ownership status.
2. Many restaurant owners are not aware that this permit exists.
3. Place of Assembly permit holders with occupancy less than 49 are not required to obtain this permit.
4. All applicants must bring the candle and enclosure it intends to use at their establishment to the Bureau of Fire Prevention for an onsite testing and approval of the device, which must be new and unopened. The candle is examined for compliance with code requirements that include sizing of device, measuring distance of the flame to top of the holder, and a heat test (flame test) with single-ply tissue of 10-15 seconds.
5. A new flame test and new permit are required if there is a change in ownership, business location, and device.
6. If an applicant simultaneously applies for Place of Assembly and Open Flame permits, it costs \$90. However, existing Place of Assembly permit holders must pay \$330 if they decide to acquire an Open Flame permit later.

Considerations

1. Cross collaboration with Treasurer/Tax Collector to inform SFFD when registered places are closed.
2. Improved communication outreach to inform business owners the existence of this permit as well as the cost difference in application fee depending on permit holder status.

Computer systems involved

- SFFD Oracle Database

For more information, please contact Catherine Omalev at (415) 554-7524

New Restaurant Processes at Planning Department

Project purpose

The City Services Auditor, City Performance Unit (CSA), in collaboration with the San Francisco Business Portal, met with staff at the San Francisco Planning Department to discuss the various licensing/permitting processes associated with land use and zoning. CSA summarized the as-is processes, where future analysis could provide recommendations to enhance or automate portions of the workflow.

About Planning approval requirements

New businesses must check with the Planning Department to ensure that their proposed business complies with the complex set of land use and zoning regulations in the City's planning code. Staff at the Planning Information Counter help applicants determine what kind of permissions might be needed for a particular use and route them appropriately. Depending on the nature of the business and its proposed location, Planning may work with applicants to file for a Change of Use, a Conditional Use, a zoning variance, or a permit to alter or certificate of appropriateness from the Historic Preservation Commission. Certain types of Planning applications may require a pre-application public meeting, neighborhood notification of a proposed use, or environmental review.

Volume

Each day, four or five people approach Planning about opening a restaurant. At that rate, Planning would assist over 1,000 prospective restaurant owners per year.

Timeline

Varies widely – over-the-counter can be done same day; more complex situations requiring Planning Commission approval or neighborhood notification could take as long as a year. For restaurants, only applications for downtown and Tenderloin locations can be approved over-the-counter (perhaps 15% of all restaurant applications). This time does not include the payment of transit tax or other fees.

Any application that is accepted as an intake and assigned to a planner typically takes at least 2-3 months. Conditional Use applications can take six months. The new CP3P program promises that Conditional Use applications will be heard by Planning Commission within 90 days, as long as the business owner takes pre-application steps to get feedback from neighbors. The Planning department expects to receive 40 applications per year that fall under this new program.

Renewal and closure

Restaurants do not need to interact with Planning to close.

Findings

1. The "Zoning Referral" on the DPH Certificate of Sanitation application acts as a "check and balance." In the past, businesses would get health permits and begin operating even after Planning told them they had an impermissible use; now businesses cannot get health permits until they've shown they have Planning approval. Planning has a similar referral process with other permits (such as ABC).
2. Planning review should occur as early in the application process as possible, because impermissible land uses can entirely shut down a project or extend its timeline for up to a year. Planning has developed a "Preliminary Zoning Screening" affidavit that helps to quickly determine how compliant an application is with the planning code.
3. Once or twice a month, someone will come to Planning who is already deeply invested in a project, only to find that the use is impermissible. Small, inexperienced businesses are more likely to make this mistake. Anecdotally, this kind of problem used to happen much more frequently than it does today.

New Restaurant Processes at Planning Department

4. Planning staff have a stronger customer focus than other reviewed departments, frequently working with applicants to suggest alternate solutions that will help them open their business sooner or in a less expensive way. In addition, Planning has simplified restaurant types and focused on easy-to-understand language.
5. Planning's Sprout team prioritizes processing of small business permits, including applications for principally permitted uses and conditional uses.
6. San Francisco has more building permits in the pipeline than at any time since 1950.
7. Planning and DBI both need to review plans, but for different purposes. Planning reviews architectural plans, looking for high-level issues like the size of the building envelope. DBI will review detailed construction plans to ensure that the building is safe and stable. Even if Planning has no problem with architectural plans from a zoning/land use perspective, DBI could still raise issues that would be time-consuming and costly. For this reason, applicants would ideally get basic information from both DBI and Planning before starting a long and costly permitting process.

Considerations

1. When a new business moves into a location and the previous tenant/owner did not properly complete its building permit, the new business may be on the hook for costly or time-consuming changes. Business owners frequently complain about unfairness when they are held accountable for something a previous business got away with. Greater consistency from DBI in completing building permits might ameliorate these issues; Planning suggested this process could be automated.
2. The overall permitting workflow should direct business owners to Planning as early as possible. Planning suggested that the Preliminary Zoning Screening affidavit be used at TTX and on the SF Business Portal, as upstream in the process as possible. Putting affidavits online may help applicants understand how long the process will take.
3. Given the substantial overlap between Planning and DBI, Planning staff suggested that small teams of 3-5 individuals, divided by industry, could more effectively deal with individual applications.

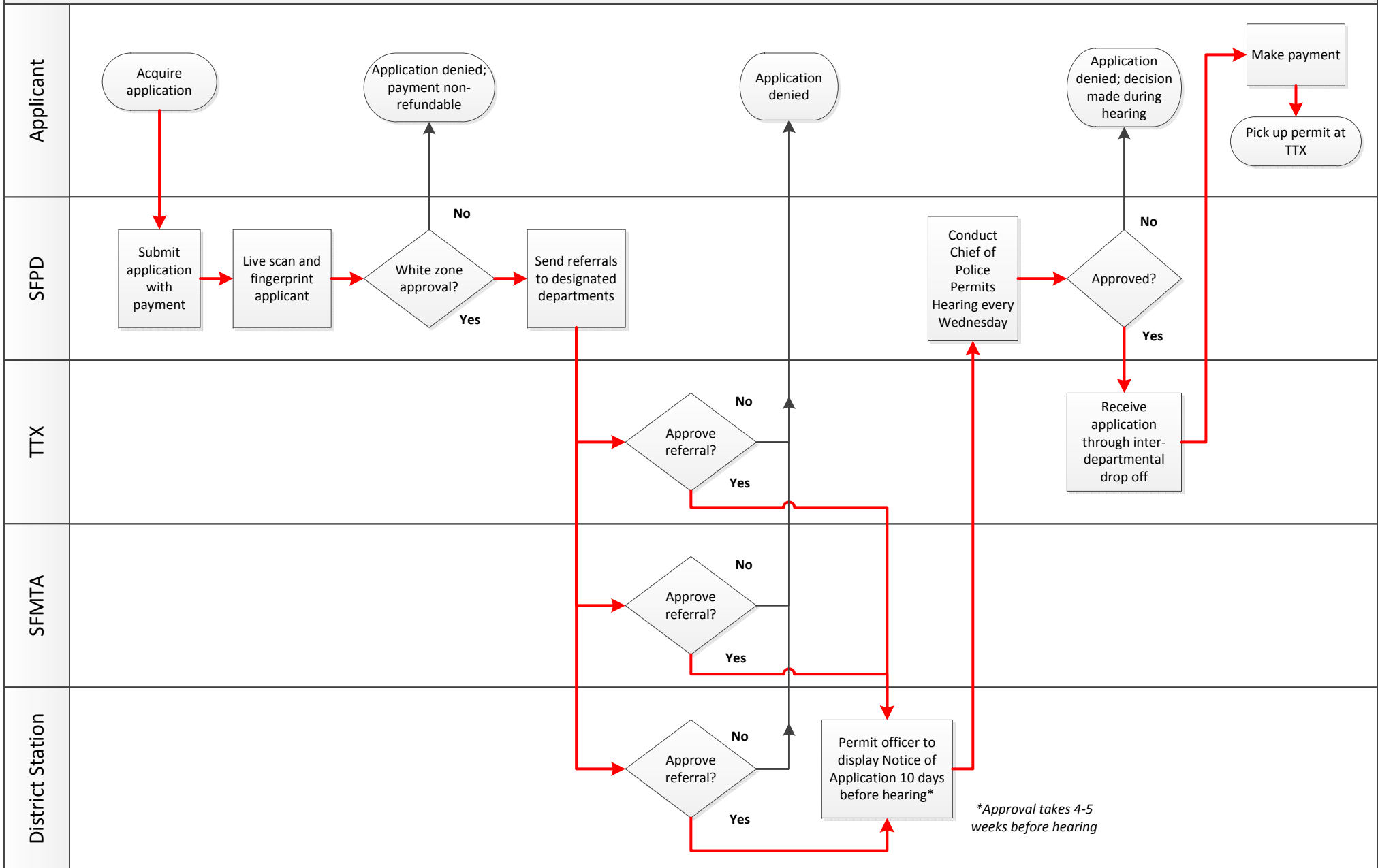
Computer systems involved

- Permit tracking – old IT system for tracking permits
- Accela – new system, will be shared with DBI when DBI launches later this year
- Property Information Map (PIM) – used to look up geocoded information about parcels
- Building Eye – new mapping application that Planning is using to share plans publically on a GIS map

For more information, please contact Ryan Hunter at (415) 554-7533

San Francisco Police Department – Valet Parking Fixed Location

Prepared by: Catherine Omalev 10/17/14



Permit Process for Valet Parking Fixed Location

Project Purpose

The City Services Auditor, City Performance Unit (CSA), in collaboration with the San Francisco Business Portal Team, met with San Francisco Police Department (SFPD) to map the permitting process for Valet Parking Fixed Location permit. CSA mapped the as-is process, where future analysis could provide recommendations to enhance or automate portions of the workflow.

About the Valet Parking Fixed Location Permit

SFPD oversees the permitting process for applicants interested in obtaining the Valet Parking permit. The department serves 50 locations overall specifically for the valet parking permit. Most locations are restaurants that are highly rated and offer valet services. SFPD deals with permit renewals about 80% of the time, and handles around 20 applications per year for new permits.

Findings

1. The permit process takes about four to five weeks.
2. All applicants must submit the application in person at SFPD (850 Bryant Street, Room 458) because they need to go through live scan and be fingerprinted. Charitable organizations are exceptions to the fingerprinting process. Applicants can either be the owner or manager of the company to go through live scan fingerprinting. SFPD requires each independent contractor (driver) to be live scanned once they are cleared of any criminal history and confirmed a valid driver's license. SFPD will then issue a SFPD valet parking identification card.
3. Live scan results can come as early as one day up to one week. If the applicant has past criminal history, the results can take up to one month or longer.
4. Referrals are sent to three different departments including: TTX, SFMTA and the district station of the applicants' location. All three departments must approve the referral before application is presented at the hearing.
5. SFPD permit officer will display the Notice of Application for public notification 10 days before the hearing. The approval takes about four to five weeks before the hearings. Hearings are conducted every Wednesday.
6. Applicants are required to physically appear at least three times during the process where they must 1) submit application to SFPD, 2) attend hearing and 3) pick up approved permit at TTX following payment.
7. Once the permit is granted by the SFPD Hearing Office, the permit is sent in-person to the Tax Collector's Office by a Permit Bureau officer. Once the Tax Collector's Office receives the permit, the applicant will pay the license fee and be able to pick up their permit.

For more information, please contact Catherine Omalev at (415) 554-7524

Process for Alcoholic Beverage License

Project Purpose

The Controller's Office City Services Auditor, City Performance Unit (CSA), in collaboration with the San Francisco Business Portal, met with the San Francisco Police Department ABC Liaison Unit (ALU) to discuss the process for obtaining an Alcoholic Beverage Control License (ABC). CSA and the ALU discussed the as-is process, where future analysis could provide recommendations to enhance or automate portions of the workflow.

About the Alcoholic Beverage License

Filing of the Alcoholic Beverage License is handled at the state level by the Department of Alcoholic Beverage Control (ABC), where the SFPD Alcohol Liaison Unit receives applications. This permit can be obtained by either filing with GO-Biz or by person-to-person transfer.

Common ABC License Types

- **Type 40 On Sale Beer** – For bars that sell beer only, where full meals are not required, but there must be sandwiches or snacks available.
- **Type 41 On Sale Beer & Wine – Eating Place** – For restaurants that serve beer and wine only.
- **Type 42 On Sale Beer & Wine – Public Premises** – For bars that serve beer and wine only, where food service is not required.
- **Type 47 On Sale General – Eating Place** – For restaurants that serve beer, wine and distilled spirits.
- **Type 48 On Sale General - Public Premises** – For bars and night clubs that serve beer, wine and distilled spirits, where food service is not required.

These permit types are based on legislation created by the Department of Alcoholic Beverage Control. The differences between these permits are based on the type of alcohol sale (beer, wine, or distilled) and if food is sold on premises (restaurant vs. bar).

Volume

There are currently 4,200 permitted ABC licenses in San Francisco. The ALU processes 600 applications per year.

Timeline

Licenses can be issued from 90 days to 6 months.

Renewal and closure

ABC permit holders must renew every 12 months.

Findings

1. Applicants will typically get Planning determination first before submitting any paperwork to SFPD.
2. After an application is submitted with payment, it is given to ALU to review for 30 days, which can extend for an addition of 20 days. Some reasons for extensions include community opposition of the restaurant or bar, if issued unconditional from 6am-2am, or if the establishment is located in a high density area.
3. During the 30-day review, the ALU communicates with applicants creating conditions that have minimal impact and insuring all rules are followed. Additionally, ALU outreach includes validating information, looking at preliminary menus, observing kitchens, etc.
4. An applicant must display Notice to the Public for 30 days to give community opportunity for comment or protest.
5. A 500' mailer is required if the establishment is located in an area where there are residences within 500' radius.

Process for Alcoholic Beverage License

Considerations

Applicants are encouraged to conduct early outreach to the department. ALU also suggests the collaboration of involved department heads, possibly through quarterly meetings, to initiate discussion of any updates to the permitting process to keep all stakeholders informed. Additionally, ALU recommends for there to be a definitive Planning letter of determination to insure all applicants begin the process at the Planning department.

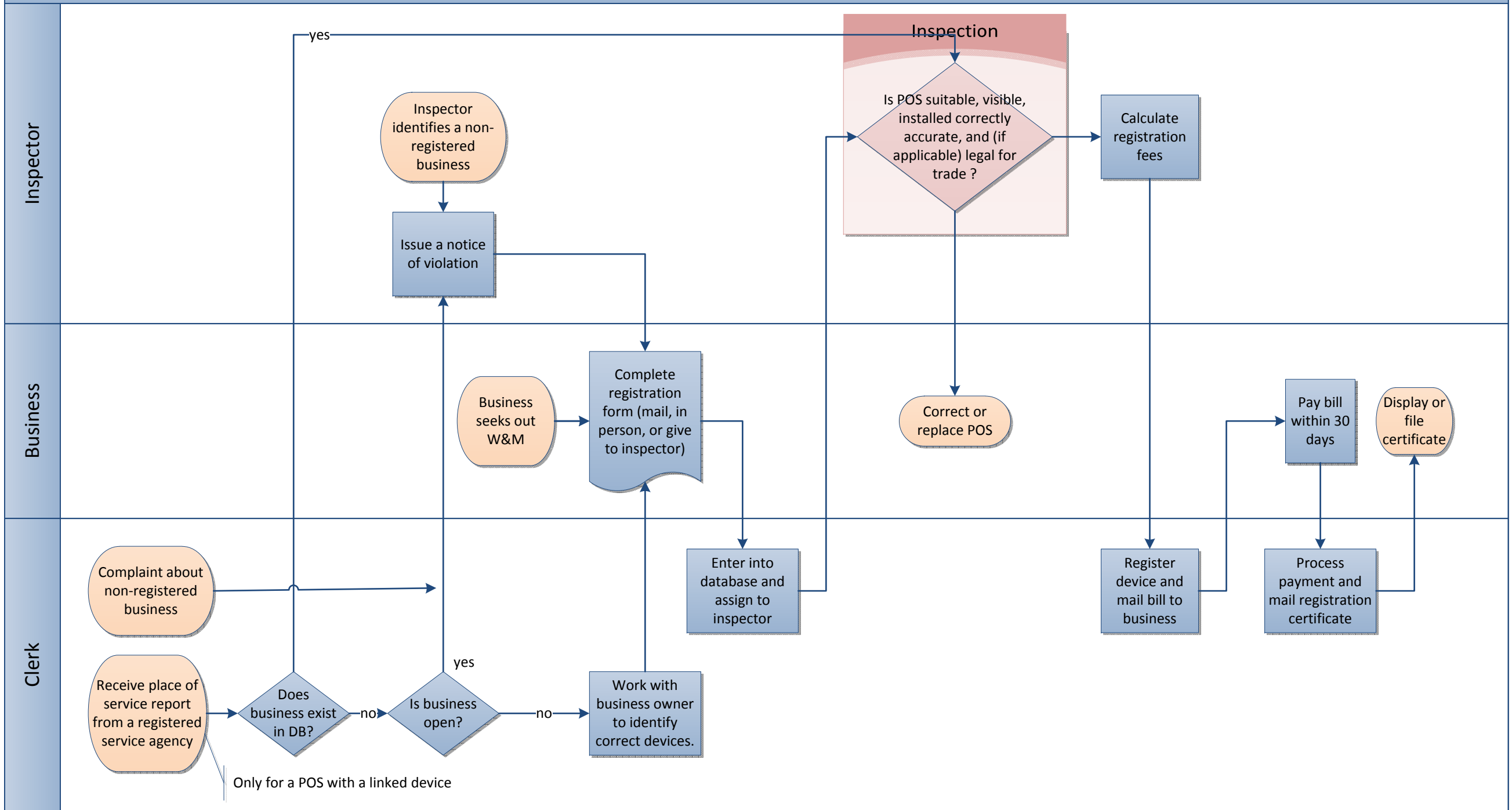
Computer systems involved

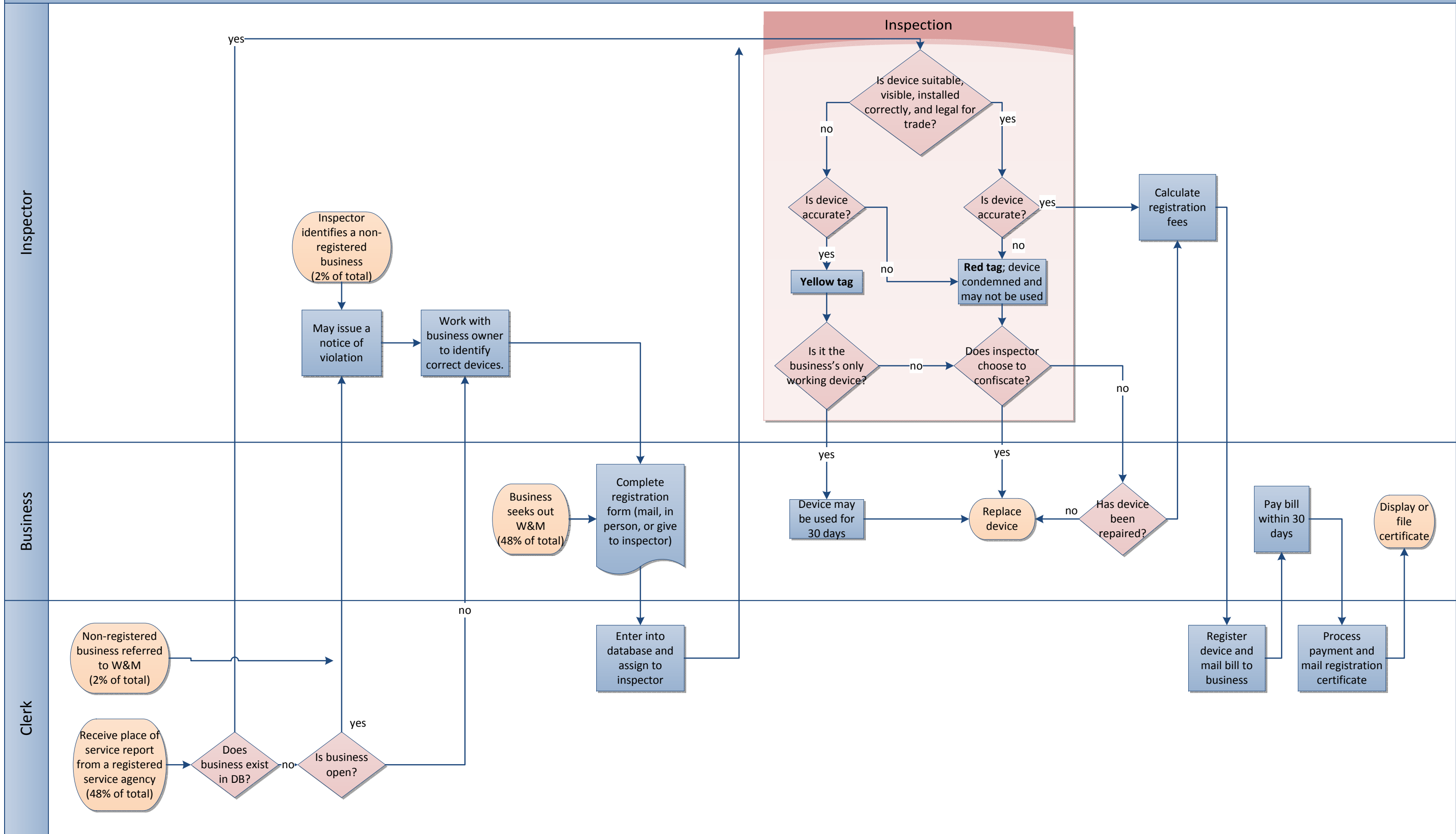
Excel for internal tracking.

For more information, please contact Catherine Omalev at (415) 554-7524.

Weights and Measures – New Automated POS Registration

Prepared by Ryan Hunter, February 23, 2015





Registration Process for Automated Points of Sale and Weighing and Measuring Devices

Project Purpose

The City Services Auditor, City Performance Unit (CSA), in collaboration with the San Francisco Business Portal, met with the Sealer and Deputy Sealer of Weights and Measures (W&M) in the Environmental Health Branch (EHB) of the Department of Public Health (DPH) to map the permitting process for the Certificate of Sanitation/Permit to Operate. CSA mapped the as-is process, where future analysis could provide recommendations to enhance or automate portions of the workflow. Weights and Measures issues two types of permit; the permitting process is similar, and we considered them together.

About the Automated Point of Sale (POS) registration

An automated POS is a piece of equipment that stores prices of commodities (e.g., a bar code scanner at supermarket checkout). Most restaurant computer systems are not included, unless the restaurant sells consumable products (e.g., grab and go items from a refrigerator case or souvenirs at an attached gift shop). Any retail facility, including restaurants, is inspected if a complaint is filed. Inspectors check to make sure that posted prices match those in the POS and that the POS display shows each transaction when the item is charged. An annual registration fee covers the cost of the program. One application is sufficient per business location, regardless of the number of POS stations.

About the Weighing and Measuring Device permit

W&M issues permits for commercial scales and meters of many kinds, ranging from the weighing device at a deli counter to the pump at a gas station. Devices need to be legal for trade, accurate, and suitable for their intended purposes. Incorrect devices must be repaired, or they may be seized by W&M. Most of W&M's workload is renewal of already registered devices.

Volume

According to W&M, 7,365 POS systems and 11,218 measuring devices are registered in San Francisco. Each month W&M receives approximately 6-10 new POS applications and 70-100 new "placed in service" device reports that require inspection.

Timeline

According to W&M, inspections are performed the following business day after receipt of a paper application. Processing a paper registration application takes about a week. Following the inspection, W&M mails a bill to the registrant (regardless if they pass or fail the inspection); the billing process takes 2 days. Upon receipt of payment, W&M sends a paper permit out. The full registration and inspection process takes about a month, if the business sends forms and payment promptly.

Renewal and closure

Registered devices and POS stations are scheduled for annual inspection. A new bill is sent each year around January. Devices and POS stations must be re-registered upon change of ownership. Owner must proactively contact W&M to take a device out of service; a phone call is sufficient. Business owners should also contact W&M if the number of devices or POS stations changes during the registration year. Device that have failed an inspection can only be removed by a W&M official.

Considerations

1. New registrations typically begin because either the business owner proactively contacts W&M or because the device was installed by a registered service agency, which files a report with W&M. A business that not does proactively register is unlikely to be detected by W&M, if the device was not purchased from a registered service agency. W&M told us anecdotes of devices being unregistered for many years.
2. In theory, W&M can proactively direct business owners to a DMS list of approved systems proactively to help ensure they buy an appropriate device and POS. In practice, nearly all registrations are completed after a system

Registration Process for Automated Points of Sale and Weighing and Measuring Devices

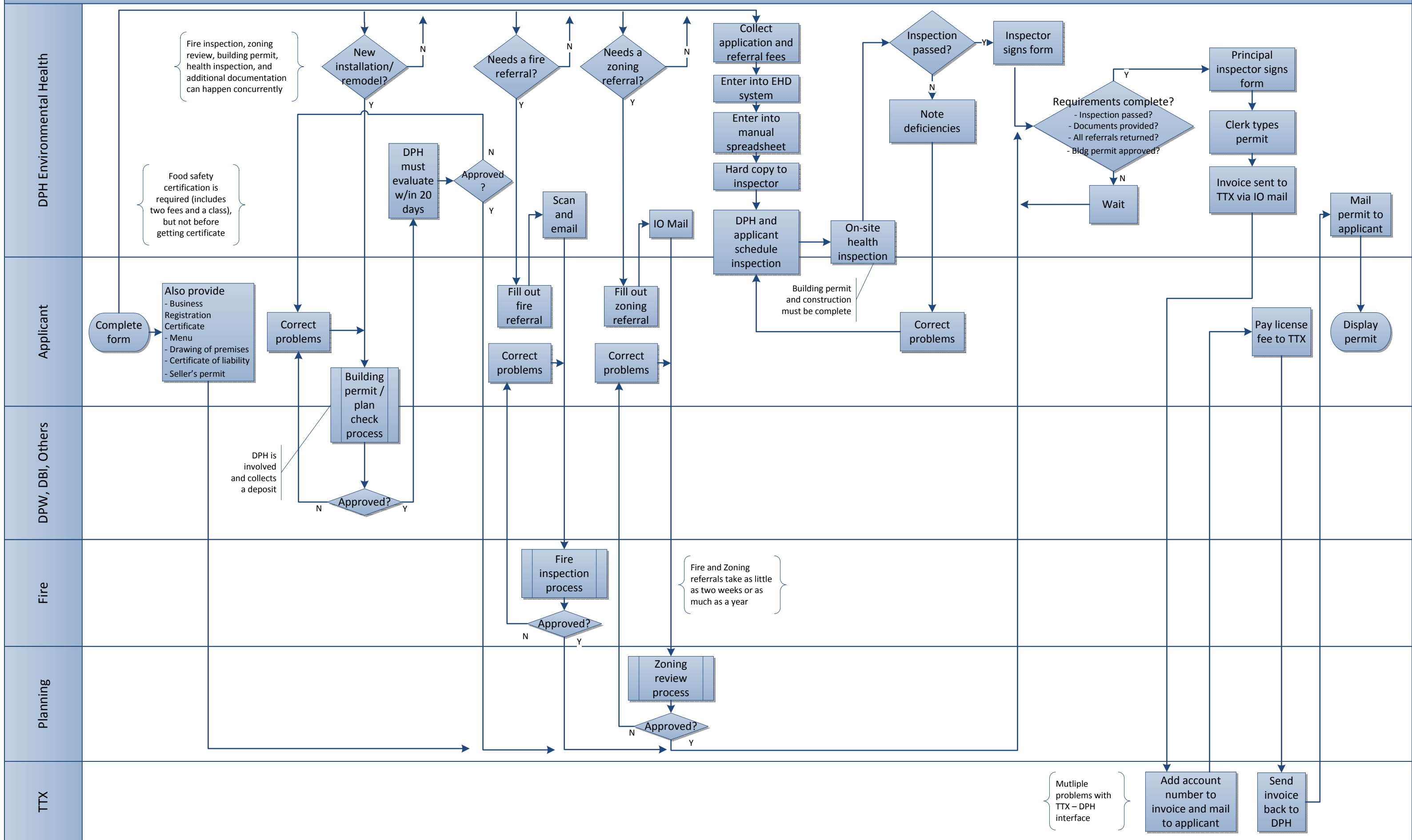
has already been purchased, and business owners are required to replace devices and POS stations that are incorrect or not legal for trade.

3. A business that is found not to have registered with W&M is not subject to any punitive fees, beyond being required to register. Similarly, a business found to have been operating with an incorrect device or an inappropriately installed POS station is not subject to punitive fees beyond normal requirements to repair or replace the device.
4. W&M reported that new business owners often do not know how to contact them.
5. Both W&M staff and EHB staff affirmed that they do not coordinate. W&M does not participate in the consolidated billing program. EHB health inspections do not routinely examine whether POS stations or devices are registered.
6. Payment should not be sent with the registration form, as business owners often incorrectly calculate what they owe. However, many business owners send payment with their registration; checks must be returned to them.
7. W&M procedures are not documented and may not be standardized; process maps are approximate. More detailed on-the-ground analysis would be necessary to document the process with greater accuracy.

Computer systems involved

- Microsoft Access database

For more information, please contact Ryan Hunter at (415) 554-7533



Permit Process for DPH Certificate of Sanitation/Permit to Operate

Project Purpose

The City Services Auditor, City Performance Unit (CSA), in collaboration with the San Francisco Business Portal, met with the Environmental Health division of the Department of Public Health (DPH) to map the permitting process for the Certificate of Sanitation/Permit to Operate. CSA mapped the as-is process, where future analysis could provide recommendations to enhance or automate portions of the workflow.

About the Certificate of Sanitation

The Certificate of Sanitation is needed for not just restaurants, but any business that touches food (including grocers, bars, and caterers) and also others like laundromats and dog kennels. DPH permits comprise more than two-thirds of all the permits issued annually by the five consolidated billing departments; health permits for restaurants make up the biggest share of DPH permits (over 3,000 annually, including renewals).

Volume

According to Environmental Health, they process about 700 applications annually for certificates of sanitation (including laundromats, kennels, and other non-restaurant businesses). About 85% of those applications are for change of ownership; new businesses must also go through a complex plan check process.

Findings

1. Most applicants apply for the initial permit in person. In theory, this is the only time they must be physically present at DPH. Application may also be mailed in.
2. Most applicants will need to get approvals or other permits from multiple agencies before or in the process of getting their health permit: the Department of Building Inspection (building permit), Fire Department (fire inspection), Planning (zoning approval), Treasurer/Tax Collector (business registration certificate), and the California State Board of Equalization (seller's permit). Applicants must also produce several pre-requisite documents before a permit will be issued.
3. Fire and Zoning referrals help ensure that restaurants are not given a permit to operate (and therefore cannot open) without complying with all relevant fire and zoning codes.
4. Applicants might pay up to five different fees during the permitting process: an up-front fee that includes DPH application fee and fire/zoning referral fees, a deposit held by DPH for their building permit, two fees associated with food safety certification (see Food Safety Manager process), and a final permitting fee to the Tax Collector (TTX). DPH collects payments only by check.
5. Start-to-finish, the permitting process takes a few weeks in a best-case scenario and a year or more in complex cases with multiple problems.
6. DPH reported that they are addressing a staffing shortage in both inspectors and administrative staff.

Considerations

1. The permitting process involves back-and-forth handoffs between at least five separate departments. The restaurant owner we interviewed reported frustration with the lack of communication and inconsistent information he was given by various departments. According to EHD, their piece takes about two weeks in a best-case scenario, but waiting for inter-department referrals can take several months.

Permit Process for DPH Certificate of Sanitation/Permit to Operate

2. Given the need for coordination among these agencies, a one-stop shop for city permitting could streamline many steps of the process (and result in less travel time for applicants).
3. Many steps of this process happen on paper: The business owner must apply in person, fill out paper referrals for the Fire and Planning departments, which are sent to them by interoffice mail. (DPH has recently begun scanning Fire referrals). A digital conversion might reap efficiencies.
4. In the last steps of the process, DPH generates a certificate but holds it until they hear that TTX has received payment for the permit. DPH has noted concerns with the consolidated billing process that create processing delays for customers.
5. Poor communication between TTX and DPH around changes to Business Registration Certificates has resulted in problems with billing customers for the renewal of their Certificate of Sanitation, costing DPH an estimated \$1m in lost licensing revenue. DPH has expressed a need for better, automated communication of changes to business registration.
6. Environmental Health will soon begin LEAN process improvement for the Certificate of Sanitation.

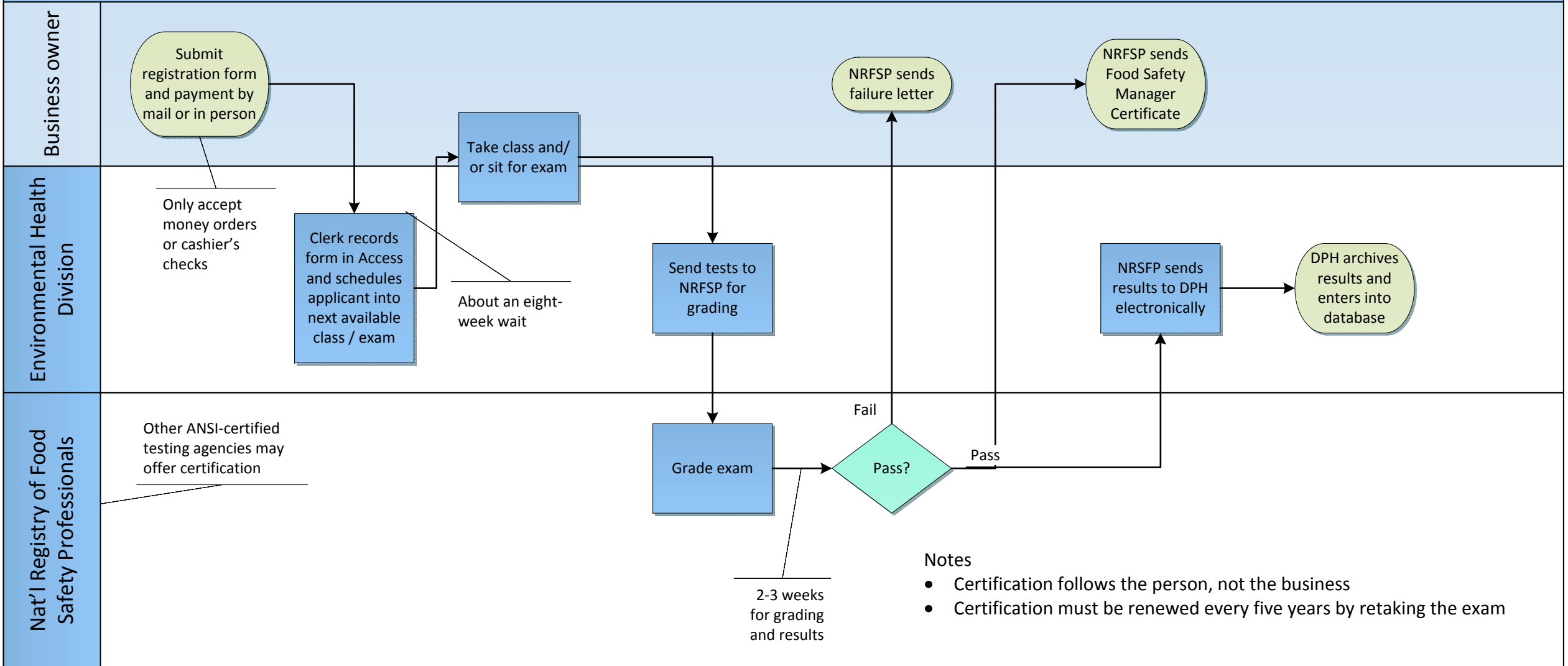
Computer systems involved

- Environmental Health Department (EHD) system
- TLA1/LICA system (connect to TTX for billing) – TTX has not given DPH direct access to new Aumentum system
- Excel spreadsheet tracking

For more information, please contact Ryan Hunter at (415) 554-7533

DPH – Food Safety Manager Certification

City Services Auditor, Ryan Hunter, 1/21/2015



Registration Process for Food Safety Manager Certificate

Project Purpose

The City Services Auditor, City Performance Unit (CSA), in collaboration with the San Francisco Business Portal, met with staff at the Environmental Health Branch (EHB) of the Department of Public Health (DPH) to map the permitting process for the Food Safety Manager Certificate. CSA mapped the as-is process, where future analysis could provide recommendations to enhance or automate portions of the workflow.

About the Food Safety Manager Certificate

Every retail food facility is required to employ at least one person with a Food Safety Manager Certificate. The certification is not a prerequisite to open a restaurant, but a staff member must obtain one within 60 days of opening. This certification is issued by an outside ANSI-approved testing agency; DPH conducts classes and proctors the exam as a courtesy. Applicants can also take the exam through other counties, the Golden Gate Restaurant Association, or private vendors.

About the Food Handler Card

All employees who prepare or store food must have a food handler card. DPH does not provide food handler card training. Employees can get their food handler card through a brief online class from a private vendor. DPH inspectors check to make sure that businesses have the requisite food handler cards and manager's certification on file.

Volume

Approximately 600 students take the DPH training each year. As of January 2015, DPH offers twelve English classes and two Chinese classes per year. Spanish speaking applicants are referred to the Golden Gate Restaurant Association. Up to 35 students may register for each class.

Timeline

According to the registration form, English classes fill about eight weeks in advance. Grading and returning exam results takes 2-3 weeks. Best case from start to finish is one month; average is two to three months. Some people fail the exam, especially those for whom English is not their first language, and must retake it several times.

Renewal and closure

Food Safety Manager Certification is valid for five years, after which the employee must re-take the exam. No closure process is needed for this certification.

Findings

1. A person, not a business, becomes a certified food safety manager. A new restaurant may avoid this certification process by hiring a staff member with an existing certification.
2. You may open your restaurant without this certification, as long as a manager becomes certified within 60 days.
3. The Golden Gate Restaurant Association will offer seven English classes and three Spanish classes in 2015.

Considerations

1. DPH is not required to offer this training; staff can be certified through private entities. A future market analysis could hypothetically study whether government should provide this service and how many classes would be optimal.
2. DPH only accepts money orders or cashier's checks as payment. Other City departments accept cash and debit cards for payment.

Registration Process for Food Safety Manager Certificate

3. Class and exam registration cannot be completed online.

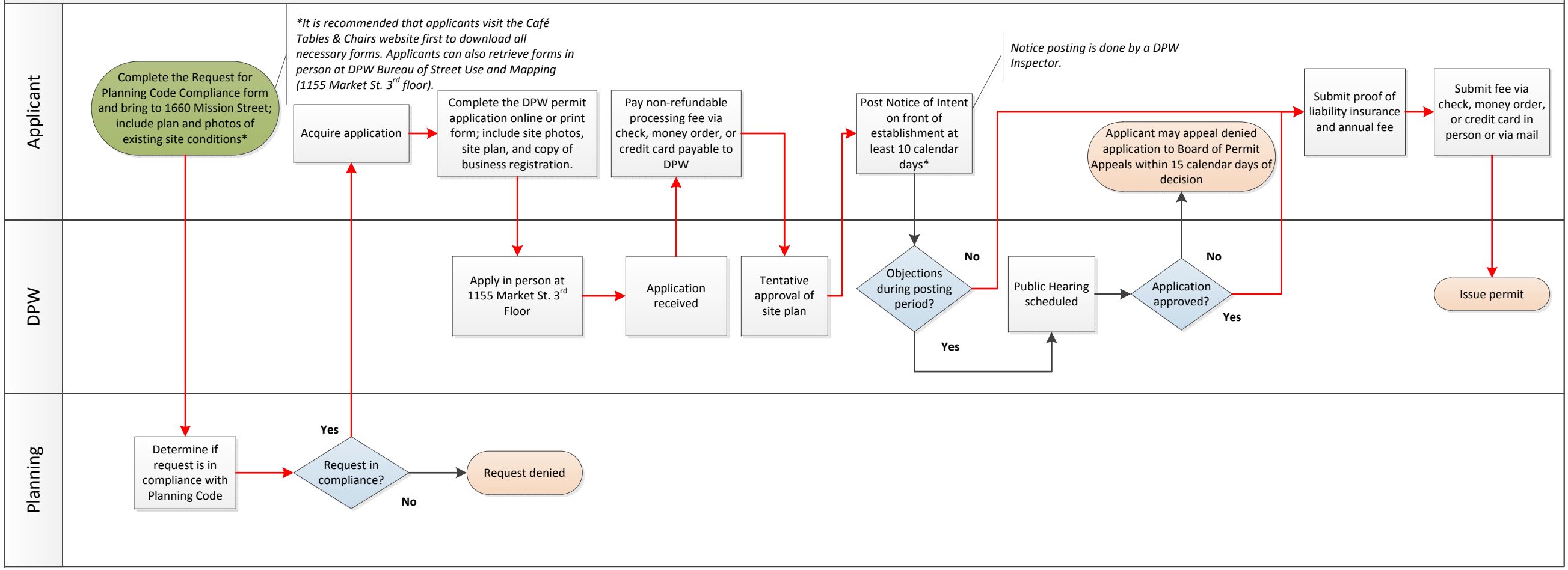
Computer systems involved

- Access database

For more information, please contact Ryan Hunter at (415) 554-7533

Café Tables and Chairs in Public Sidewalk Areas As-Is Permitting Process

Created by: Catherine Omalev, CSA 4/9/15



Text in green indicates beginning of process. Text in blue indicate binary options that can occur. Text in orange indicates end of process. The red line indicates the normal route of the process.

Permit Process for Café Tables and Chairs in Public Sidewalk Areas

Project Purpose

The Controller's Office City Services Auditor, City Performance Unit (CSA), in collaboration with the San Francisco Business Portal, met with Department of Public Works Bureau of Street Use and Mapping (DPW) to map the permitting process for the use of tables and chairs in public sidewalk areas at restaurant establishments. CSA mapped the as-is process, where future analysis could provide recommendations to enhance or automate portions of the workflow.

About the Tables and Chairs in Public Sidewalk Areas Permit

The Bureau of Street Use and Mapping (BSM) oversees new applications and renewals for the Café Tables and Chairs permit. They provide technically driven reviews of the application, ensuring that the dimensioned space layout plan of the restaurant follows the minimum requirements that create a clear path for pedestrian clearance.

Volume

According to DPW, the department processes around four permits for Tables and Chairs per month.

Timeline

On average, it takes 30 days from the initial application submittal to final permit issuance given the applicant provides the correct documentation and payment on time. The best case scenario is 12 business days (given no objections during posting period), and the worst case can range from six months to one year.

Renewal and closure

DPW handles renewals throughout the year. If the permit holder closes their business, changes ownership, or decides to not renew their tables and chairs permit, they are encouraged to contact DPW in order for the department to make the changes in the database.

Findings

1. All applicants must first be approved by the Planning Department before being able to apply for Tables and Chairs permit. This is done by submitting a Request for Planning Code Compliance in person at 1660 Mission.
2. Applicants have the opportunity to complete the Café Tables and Chairs permit online via PDF and submit the application, a site plan, and processing payment in person at DPW-BSM.
3. When the site plan is tentatively approved, BSM will post a 10-day Notice of Intent at the restaurant for the public to view and submit comments/objections. If there are no objections during the posting period, the applicant will submit a copy of their proof of insurance and pay an annual assessment fee prior to receiving the approved permit.
4. DPW can send the approved permit by mail, but the permit is not valid until the department receives the final signed copy.
5. If an applicant faces objections during the posting period of the Notice of Intent, DPW first encourages the appellant and applicant to resolve issues before formally filing a complaint. Most of the time, applications are approved at the DPW public hearing. Should an applicant be approved or denied, the appellant and applicant have 15 calendar days to appeal DPW's final decision to the Board of Appeals.
6. According to DPW, there is little communication to DPW from permit holders that decide to close. Most of the time, the department realizes closures as a result of not receiving any response to a renewal letter.
7. The major bottlenecks for this permit occur during plan review or receiving late payments from applicants.

Considerations

1. DPW is in the early planning stages of creating online applications, which will remove the need of an extra form. The department is still reviewing all the variables it will take for both IT and ability within their own policies and procedures. As the department continues to work towards consolidating their application process, DPW should consider information sharing with other departments to help others prioritize similar efficiency practices.

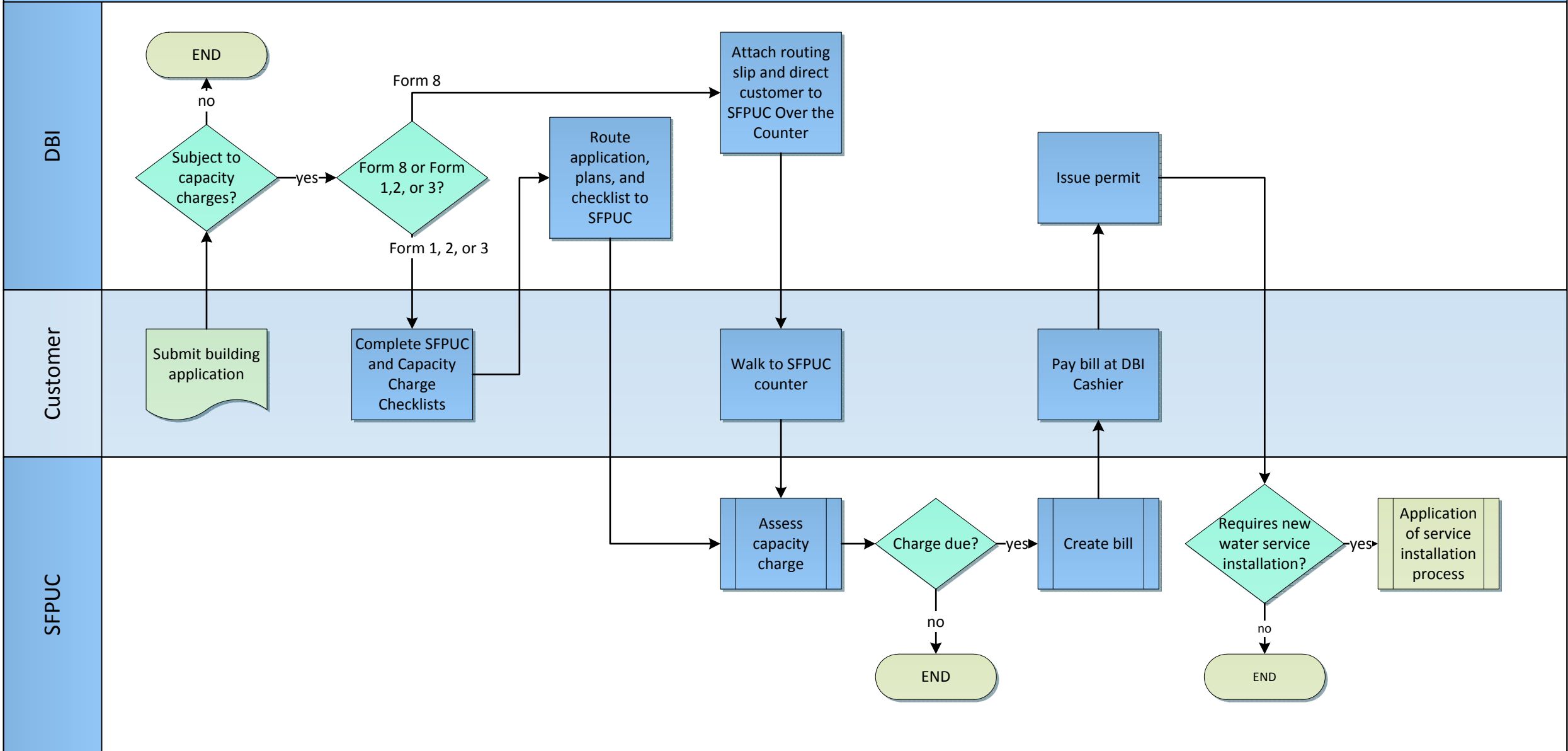
Permit Process for Café Tables and Chairs in Public Sidewalk Areas

2. To maintain an up-to-date database, the department could increase outreach efforts that encourage permit holders to communicate with DPW if and when they decide to not renew their permit.

For more information, please contact Catherine Omalev at (415) 554-7524.

SFPUC – Water/Wastewater Capacity Assessment

SFPUC and City Performance Unit, 4/14/2015



Process for SFPUC Water/Wastewater Capacity Charge Assessment

Project Purpose

The City Services Auditor, City Performance Unit (CSA), in collaboration with the San Francisco Business Portal, met with the staff from the San Francisco Public Utilities Commission (SFPUC) to map the process for assessing Water and Wastewater Capacity Charges. CSA mapped the as-is process, where future analysis could provide recommendations to enhance or automate portions of the workflow.

About Water/Wastewater Capacity Charge Assessment

When anyone (business or residential) files for a building permit with the Department of Building Inspection (DBI), their application is screened for possible changes in water or wastewater capacity. SFPUC assesses the building application and building plans along with a listing of self-reported plumbing fixtures to determine whether the building will require an increased water capacity (inflow) or wastewater capacity (outflow). Water capacity charge increases are triggered only by a new connection or the need for a larger meter, while wastewater capacity charges may also increase due to change of use. DBI issues the site permit, and payment is folded into the DBI permitting process. When a capacity change necessitates a larger meter size, SFPUC advises the applicant to upgrade or install new service.

Volume

About one-third of all building applications require a capacity charge assessment. (For example, a permit to build a new home closet would not affect water, and SFPUC would not be involved.) SFPUC processes about 4,000 capacity charge assessments per year. About 80% of the assessments (8 to 24 per day) are small-scale assessments conducted “over the counter”; the rest (2 to 8 per day) require more intensive review.

Timeline

Over-the-counter assessments (using DBI form 8) do not require a completed capacity charge checklist and can generally be completed in under an hour, while the customer waits. Over-the-counter permits can be completed on the same day or up to several days, depending on additional information needed from customers. New construction and alteration, change of use, and tenant improvement application turnaround times (using DBI forms 1, 2, or 3) vary considerably, from a few weeks to multiple years, depending on complexity, but SFPUC can generally complete their review/assessment in less than one week.

Renewal and closure

The capacity charge is a one-time fee, required only if you make changes to a building’s structure or use that increase its water or wastewater demand. It is not renewed each year, and no closure process is necessary. Reassessment will only occur if a business makes additional changes that require a building permit (e.g., renovates the kitchen or bathroom to add more fixtures) or changes the water meter or water services.

Findings

1. The method of calculating the capacity charge changed in FY14. Previously needed capacity was estimated by square footage and fixture count; now capacity is estimated by the number and type of plumbing fixtures in the building and the application’s Standardized Industrial Code (SIC).
2. This process is contained entirely within the DBI building permit process; no one would reassess capacity except via a building permit or when the applicant proactively requests a change in water services. Application for a building permit starts the process, and payment also occurs through DBI.
3. A capacity charge is *only* triggered by a change in the building’s use or its plumbing fixtures. A mere change of ownership should not trigger a capacity charge.

Considerations

1. DBI’s PTS system will be replaced by Accela in the next few months.

Process for SFPUC Water/Wastewater Capacity Charge Assessment

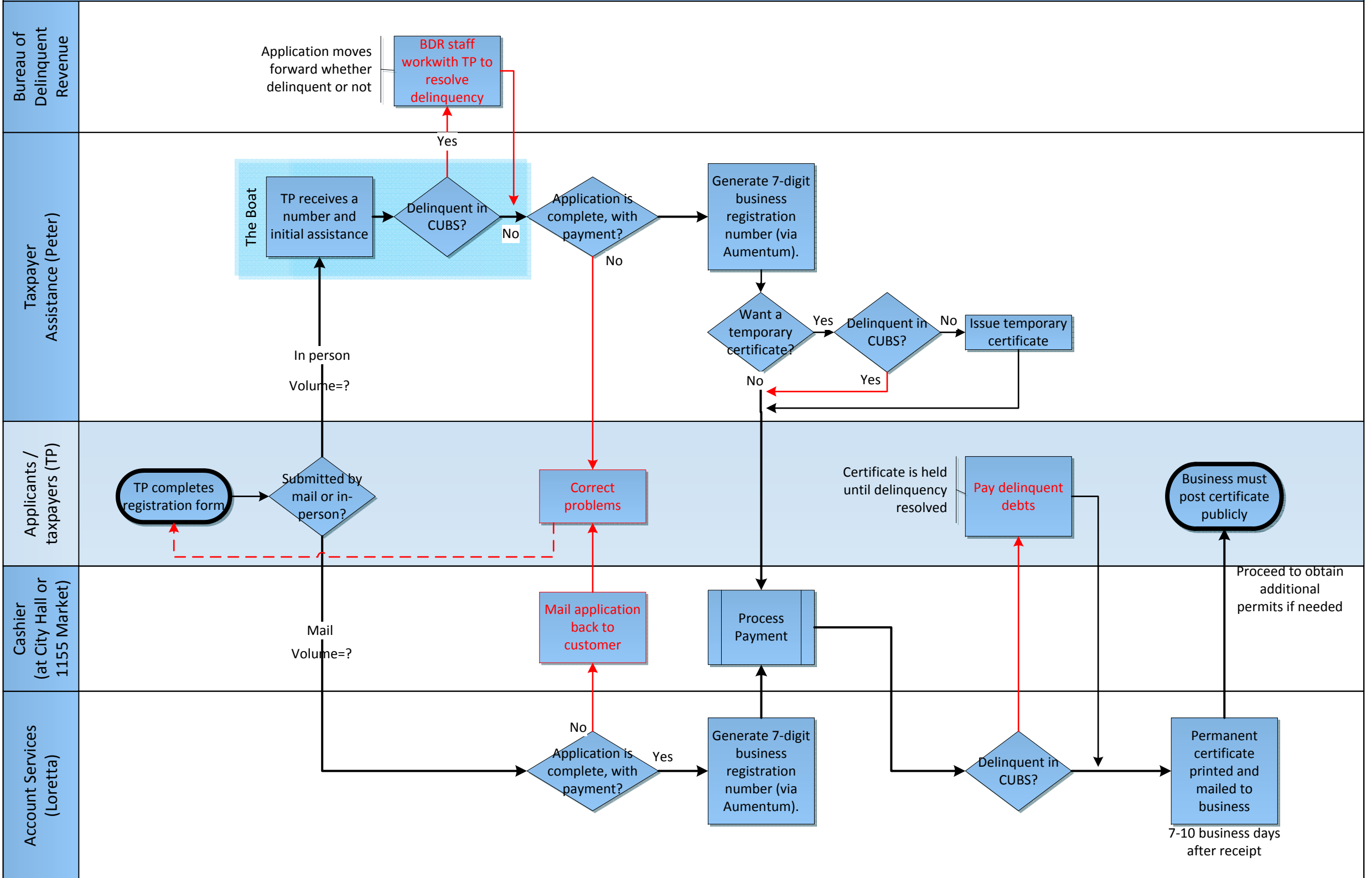
Computer systems involved

- Excel (for calculating capacity charge)
- Customer Care and Billing (SFPUC's Oracle billing system)
- Permit Tracking System (PTS, DBI's Oracle system, soon to be replaced with Accela)

For more information, please contact Ryan Hunter at (415) 554-7533

TTX - NEW Business Registration process map

City Services Auditor, Ryan Hunter, 10/1/2014



Permit Process for TTX Business Registration Certificate

Project Purpose

The City Services Auditor, City Performance Unit (CSA), in collaboration with the San Francisco Business Portal, met with the Treasurer/Tax Collector (TTX) to map the permitting process for the Business Registration Certificate. CSA mapped the as-is process, where future analysis could provide recommendations to enhance or automate portions of the workflow.

About the Business Registration Certificate

A Business Registration Certificate is a prerequisite for anyone doing business in San Francisco. Many other permit applications ask for the business registration number. TTX has nearly 100,000 currently registered businesses in San Francisco, and they register about 900 new businesses each month. A similar number de-register at the same time.

Findings

1. Applications can be processed either in person or by mail.
2. If applicants appear in-person to the TTX office in City Hall and has no delinquent debt, they could complete the process with a temporary business registration number within an hour. The permanent, official business registration certificate (BRC) is mailed later.
3. TTX is now the center of the new consolidated billing process. Theoretically, anyone applying for a permit at Fire, Police, Public Health, or Entertainment Commission should be directed to get a business registration number first. Applicants for those other permits cannot pay for them (and therefore cannot be licensed) until they have a business registration number.

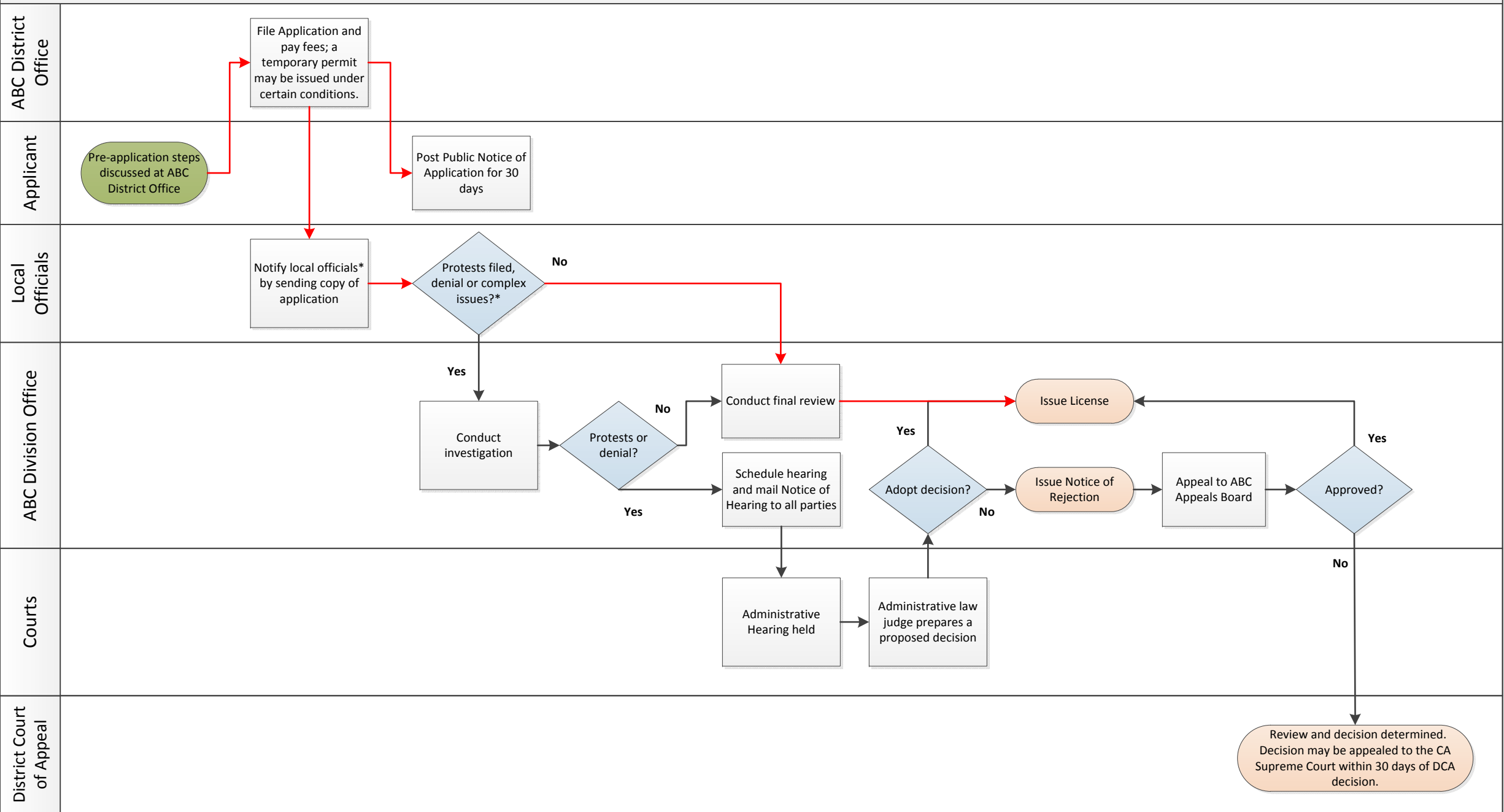
Considerations

1. The process of getting a business registration number seems comparatively quick and straightforward. While the mail-in process takes longer, and a restaurant owner reported to us that getting their BRC took several months, the critical piece for other downstream permits – the temporary business registration number – is given immediately at the TTX office.
2. As the center of the consolidated billing process, TTX now appears on the process maps for the other four departments. Representatives at the other departments expressed frustration at problems coordinating the new process with TTX, including data compatibility issues. These problems could be explored further.
3. The mail-in process could be more closely examined for process enhancements, especially if applicants do not receive their business registration number until the BRC is mailed to them. Additional data on turnaround time would help determine whether the mail-in process creates significant delays.
4. The business registration application cannot be completed online currently.

For more information, please contact Ryan Hunter at (415) 554-7533

State of California- Alcoholic Beverage License Process

Produced by Catherine Omalev, CSA 2/20/15



Text in green indicates beginning of process. Text in blue indicate binary options that can occur. Text in orange indicates end of process. The red line indicates the normal route of the process.

Process for Alcoholic Beverage License

Project Purpose

The Controller's Office City Services Auditor, City Performance Unit (CSA), in collaboration with the San Francisco Business Portal, met with the California Governor's Office of Business and Economic Development (GO-Biz) to map the process for obtaining an Alcoholic Beverage License. CSA mapped the as-is process, where future analysis could provide recommendations to enhance or automate portions of the workflow.

About the Alcoholic Beverage License

Filing of the Alcoholic Beverage License is handled at the state level by the Department of Alcoholic Beverage Control (ABC). This permit can be obtained by either filing with GO-Biz or by person-to-person transfer.

Timeline

If the application is not protested, then the average time it takes from filing to issuance is 55-65 days. For protested applications, with protests withdrawn after negotiations, it is an average of 95 days.

Renewal and closure

ABC permit holders must renew every 12 months.

Findings

1. An ABC permit holder is required to possess a seller's permit from the State Board of Equalization.
2. Applicants are encouraged to contact their nearest office of the United States Treasury Department, Alcohol and Tobacco Tax and Trade Bureau to inquire if a Federal basic permit or a special Occupational Tax Stamp is required.
3. Before applying for the ABC permit, an applicant must complete the pre-application steps wherein an ABC staff from the District Office will ask about the proposed operation and determine the type of license needed.
4. This permit can efficiently be processed if it is not protested or denied within 45-50 days.
5. A moratorium on the issuance of off-sale and wine licenses in cities and counties where the ratio of Type 20 licenses exceeds one for each 2,500 residents was established in 1998. New moratorium lists are recalculated every five years, with the most recent in effect May 2011.

Computer systems involved

License Query System (LQS)

For more information, please contact Catherine Omalev at (415) 554-7524.

Seller's Permit Process Summary

Project purpose

The City Services Auditor, City Performance Unit (CSA), in collaboration with the San Francisco Business Portal, reviewed the requirement of business owners to obtain seller's permits. CSA summarized the as-is process, where future analysis could provide recommendations to enhance or automate portions of the workflow.

About Seller's Permit

The Seller's permit is administered under the California State Board of Equalization (BOE). This permit is required if an individual is engaged in business in California and plans to sell or lease tangible personal property subject to sales tax if being sold at retail. It is the responsibility of the business owner to apply for this permit, where registration can be done on BOE website or online at a BOE field office location.

Renewal and closure

The permit holder must inform the BOE if they decide to close their business. There is no renewal process, as the permit is valid only as long the permit holder is actively engaged in business as a seller.

Findings

1. The Seller's permit is free; however, it may require a security deposit under special circumstances (i.e. if mandated by law or history of nonpayment).
2. If purchasing a business, applicants are encouraged to contact BOE to protect from having to pay any sales and use tax owed by the previous business.
3. If an applicant does not obtain a tax clearance before buying the business and the previous owner left tax amounts unpaid, the applicant could be required to pay taxes, interest, and penalties that are due.
4. The applicant is required to set aside money to cover unpaid taxes owed by the previous owner. This amount should be enough of the purchase price of the business to cover any amount owed to BOE by the former owner. If the applicant obtained the certificate of tax clearance, they are no longer required to set aside funds to cover the unpaid sales and use taxes.
5. If the applicant has more than one place of business (located at a different address), they may obtain a separate permit for each location.
6. There are many instances when the permit holder must notify the BOE of specific changes. These changes include:
 - Change of business or mailing address
 - Change of ownership (includes incorporating a business, forming a partnership or LLC, adding/dropping a partner, divorce or legal separation if permit holders are married co-owners)
 - Selling the business
 - Buying another business
 - Discontinue business

For more information, please contact Catherine Omalev at (415) 554-7524

Obtaining an Employer Identification Number from the Internal Revenue Service

Project Purpose

The City Services Auditor, City Performance Unit (CSA), in collaboration with the San Francisco Business Portal, performed online research to summarize the process of obtaining a new Employer Identification Number (EIN) from the Internal Revenue Service (IRS). Because this process occurs outside of San Francisco's jurisdiction, it is a summary of the as-is process only.

About the Employer Identification Number

The IRS uses the EIN to track wages and other business payments for federal tax purposes. Nearly all businesses require an EIN; the main exceptions are sole proprietorships or single-member LLCs with no employees.

Timeline

An EIN can be obtained instantly online and used immediately to relate to banks or city departments, though the IRS needs two weeks before it can accept electronic payments with the new EIN. Alternately, an applicant can send in a Form SS-4. Faxed applications are returned by fax in about a week, and mailed application forms are processed in four to five weeks. International applicants can obtain an EIN by phone.

Renewal and closure

EINs are permanently assigned to a business entity and do not need to be renewed year-to-year or cancelled when a business closes. However, the IRS maintains a checklist of other actions to take when closing a business:

<http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Closing-a-Business-Checklist>

Findings

1. A business should obtain an EIN before starting San Francisco permitting processes. For most business types, the Treasurer/Tax Collector will not grant a New Business Registration without an EIN, and an EIN will help in opening a business bank account.
2. When a business's ownership or structure changes, a business with an existing EIN may need to apply for a new one. For example, a sole proprietorship or single-member LLC that takes in new partners will need a new EIN. A complete list of these situations can be found at <http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Do-You-Need-a-New-EIN>.
3. The IRS limits new EIN applications to one per responsible party per day. Therefore someone starting several businesses at once will need to obtain EINs over several days.
4. You cannot apply for an EIN online using a "responsible party" that is also a business entity with an EIN obtained online.

For more information, please contact Ryan Hunter at (415) 554-7533