




San Francisco Water Power Sewer

Services of the San Francisco Public Utilities Commission

TRANSMITTAL

DATE: April 28, 2023

TO: London N. Breed, Mayor

FROM: Dennis J. Herrera, General Manager 

SUBJECT: **Executive Directive 23-01**
Housing Delivery Performance Assessment and Improvement Plan

Please find the SPPUC's Housing Delivery Performance Assessment and Improvement Plan for incorporation into the 2023 Housing Element Action Plan.

cc: Interagency Implementation Team

London N. Breed
Mayor

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OUR MISSION: To provide our customers with high-quality, efficient and reliable water, power and sewer services in a manner that values environmental and community interests and sustains the resources entrusted to our care.



Housing Delivery Performance Assessment and Improvement Plan

May 1, 2023

Prepared by:

San Francisco Public Utilities Commission



Services of the San Francisco Public Utilities Commission

Role

The San Francisco Public Utilities Commission (SFPUC) provides retail drinking water and wastewater services to the City of San Francisco, wholesale water to three Bay Area counties, green hydroelectric and solar power to Hetch Hetchy electricity customers, and renewable energy to the residents and businesses of San Francisco through the CleanPowerSF program. Our mission is to provide our customers with high quality, efficient and reliable water, power, and sewer services in a manner that is inclusive of environmental and community interests, and that sustains the resources entrusted to our care. We are comprised of three essential 24/7 service utilities: Water, Wastewater and Power. These functions are supported by the Business Services, Infrastructure and External Affairs bureaus.

While the above utility services are the core function of the SFPUC, the services we provide are critical to housing entitlement, development, and operation. To that end, the SFPUC is involved in the planning, design and construction phases of new and rebuilt streets and infrastructure that are part of large-scale Development Agreement projects. Additionally, SFPUC plays a role in in-fill projects of varying sizes, with responsibilities including review of new utility connections, stormwater green infrastructure, and streetlights. At the completion of construction, the SFPUC accepts publicly dedicated utility infrastructure in City streets, and provides water, wastewater, and in some cases power services to the new homes and businesses. See Figures 1, 2, and 3 for the SFPUC's housing production functions and processes.

SFPUC review and approval is required throughout the housing permitting and construction process. Although the SFPUC does not issue housing-related permits, many permits critical to housing cannot be issued without sign-off from multiple agencies, including the SFPUC. The SFPUC reviews and approves the following housing-related permits:

- Street Improvement Permits, as to SFPUC infrastructure in the public right-of-way, issued by Public Works (PW) and coordinated by the PW Infrastructure Task Force (ITF).
- Building Permits, as to fixture counts for capacity fees assessment and Stormwater Management Ordinance (SMO) compliance, where applicable, issued by the Department of Building Inspection (DBI).
 - As part of the Building Permit process, PW Bureau of Streets and Mapping (BSM) also refers Street Improvement permits, Minor Sidewalk Encroachment permits for the shoring and tiebacks in the public right of way, Side Sewer permits, and Excavation permits to the SFPUC for review and approval when SFPUC infrastructure is involved.

Performance Assessment

For large-scale development projects, the overall time it takes to get from the initial design submittal to an approved Street Improvement Permit (SIP) issued by Public Works can take over a year and often involves numerous submittals. As these permits are issued by Public Works, the SFPUC defers to PW’s tracking database for overall permitting times. Per the latest data received from PW, the average SIP review and approval time for SFPUC is 233 days (see Table 1).

Table 1. Development Agreement Project SIP Timelines*

Date of First SIP Submittal	Number of Submittals	Total SIP Days	Total City Days	Total SFPUC Days	Total Days Between Submittals
Averages:	5.23	584.6	301.7	233.3	282.9
50% Reduction Target per ED 23-01		292	151	117	141

*Data provided by PW ITF

Reducing this time by 50% by February 1, 2024, results in a target of approximately 117 days. If a 30-day review period is assumed, this target reduction could only be reached if there are 3.9 rounds of review prior to permitting. As it is not possible to submit 3.9 rounds, we are assuming 4 rounds for this analysis, which would result in 120 days for SFPUC review. It should be noted that meeting the 120 days total review time assumes the plans are complete when submitted for review and conform to City standards. Non-standard elements, which should be identified as early in the design process as possible, often result in longer review periods.

For in-fill projects, the SFPUC reviews and approves fixture counts to assess capacity fees and reviews for Stormwater Management Compliance as part of building permit issuance by the Department of Building Inspections. The SFPUC has staff embedded at the DBI Permit Center to perform these functions and sign off before the Building Permit is issued. In addition to SIPs, the SFPUC also reviews and approves Minor Sidewalk Encroachment permits for the shoring and tiebacks in the public right of way, Side Sewer permits, and Excavation permits when referred by PW BSM as part of the building permit process. Building permits are not issued by the SFPUC, so the SFPUC defers to DBI for the overall permitting times as tracked in their database. Each SFPUC Enterprise has a separate system for tracking project plans received and comments submitted, but these do not correlate to permit issuance. At the time of this report, the SFPUC does not have data from DBI or BSM to understand total permitting timelines or proposed reductions. The SFPUC recognizes better tracking and coordination with BSM as part of the building permit process is required and has included this an important process improvement for ED 23-01.

Table 2 shows the typical standards the SFPUC uses during permit review. The SFPUC also uses other applicable city, state, and federal standards not included in the table.

Table 2. Typical Utility Rules, Regulations, and Standards for Development Review

General
Subdivision Regulations (City-Wide)
Subdivision Regulations (Project Specific – Treasure Island, Candlestick Point/Hunters Point Shipyard II)
Water
Rules and Regulations Governing Water Service
Asset Protection Standards (existing water and wastewater assets)
Water Main Installation Standard Plans and Specifications
AWSS Standard Plans and Specifications
Recycled Water Standards & Procedures
Onsite Water Reuse Guidebook (Non-Potable Water Ordinance)
Manual for Cross Connection Control
Power
Rules and Regulations Governing Power Service
Appendix G -Electric Service Guidelines
Appendix F-Interconnection Metering and Operating Requirements for Generating Facilities
PG&E Green Book
Streetlight Standard Plans with Redlines
Streetlight Guidelines
Streetlight Catalog
Wastewater
Sewer Main Standard Plans and Specifications
Sewer Lateral Standard Plans and Specifications
Asset Protection Standards (For protection of existing water and wastewater assets)
Stormwater Management Requirements and Design Guidelines
Pump Station Design Guidelines and Standards
Physical Security Design Guidelines (for facilities, i.e. pump stations)
Safe Design Guidelines
Construction Site Runoff Technical Standards and Guidelines (Construction Site Runoff Ordinance)

Housing Coordinator

In response to ED 17-02, the SFPUC designated a senior manager as the Housing Coordinator responsible for coordinating and streamlining our efforts to approve and permit new housing development. For ED 23-01, the SFPUC proposes to further strengthen the Housing Coordinator role by designating a second senior manager to increase bandwidth for the role and provide redundancy (See Figure 1). We have determined this role is best served by the technical project managers directly involved with the review and approval of utility infrastructure critical to housing development. Additionally, the Executive Team has instituted biweekly meetings with the Director of Development of the Office of Economic and Workforce Development and the Director of Housing Delivery in the Mayor's Office to allow for streamlined communication and resolution of issues, while ensuring the SFPUC Housing Coordinator role addresses the majority of the issues through that route.

Process Improvements

The SFPUC has successfully accomplished a majority of the improvements identified as part of Executive Directive 17-02 (see Table 3).

Table 3. SFPUC Accomplishments from Executive Directive 17-02

No.	Challenge (from previous ED 17-02)	Solution Implemented
1.	Required information for thorough SFPUC review not always received from the Developer, leading to incomplete reviews and delays.	The document control has improved by centralizing the submittal process for developers through PW ITF, who submits all documents directly to the Development Utility Team at the SFPUC for tracking and distribution to the individual technical reviewers.
2.	Review teams are understaffed.	There are currently at least 1-2 reviewers assigned per Enterprise for technical review.
3.	SFPUC Power is a relatively new service being offered to private developers.	Developers are meeting with Power Enterprise earlier in the development process and holding regular coordination meetings.
4.	Changes from previous submittals not tracked, nor is a narrative update on changes provided.	Developers submit a response to each SFPUC comment in a log for each submittal. Developers submit a transmittal listing all changes with associated sheet numbers for Instructional Bulletins (design changes during construction).
5.	Infrastructure Plan and Master Utility Plans (MUPs) should be completed earlier in the process to avoid crunch near CEQA completion/entitlement and to accelerate infrastructure coordination and design.	Infrastructure Plans are submitted to the SFPUC for review during the Development Agreement process. Master Utility Plans are also submitted earlier in the process and require approval prior to the Basis of Design submittal.
6.	Quality of document submitted for review is not sufficient for review.	This has improved as developers and their engineers are aware of the SFPUC standards and what information is required for review.
7.	Documents are reviewed in a timely manner but no follow-up submittal from project team for up to a year. Unknown where documents sit in workflow.	ITF Project Managers regularly update the SFPUC Development Utility Team on project delays for Development Agreement projects.
8.	SFPUC needs to make timely decisions.	SFPUC Executive Team is holding regular coordination meetings with the Director of Housing Delivery to assist in decision making when needed. There are escalation processes within each Enterprise for decisions related to design exception requests where developer cannot meet current SFPUC Standards. The Housing Coordination Team assists in prioritizing issues and facilitating decisions effectively.

9.	Improve internal tracking of submittals and supporting development documents.	The SFPUC General Manager’s Office tracks all submittals for permitting of projects with Development Agreements. The submittals are then distributed to the separate Enterprises (Water, Power, Sewer) for review. The individual Enterprises are responsible for tracking referral responses to BSM permits for in-fill projects.
10.	Overall schedule is needed from each developer that highlights key milestones and when large submittals will be coming to the SFPUC for review.	Developers are preparing high level schedules for permitting and mapping for PW ITF. ITF is also preparing high level schedule showing all developments key milestones.
11.	It would be beneficial if the same person reviews the documents at each submittal. For construction, having the same inspector for each project would be beneficial.	The SFPUC assigns key dedicated development review and inspection staff where possible.

To help meet the Housing Element Goals, the SFPUC has identified further process improvements that could be implemented over the next 12– 18 months (see Table 4).

Table 4. Proposed Internal Process Improvements

No.	Issue	Proposed Improvement	Target
1.	Current Development website is not comprehensive for Developers or 3rd party agencies to understand what is required of their project.	Update the external website for SFPUC Development issues and include all standards, rules and regulations, guidelines and polices.	2/24
2.	Lack of cohesiveness across divisions engaged with development review- no shared documents, lessons learned, or available procedure documents.	Establish an internal website for SFPUC Development issues.	2/24
3.	Lack of standardized tracking tools for Development review across divisions.	Develop tracking tool across divisions.	10/23
4.	Staffing challenges associated with hiring delays and unpredictability of housing-related workload.	Establish as-needed consulting contracts to supplement staff.	12-18 months
5.	Non Standard infrastructure decisions have no clear end.	Develop a formal and consistent Variance Request and Approval process with a clear and definitive outcome.	2/24

In addition to the proposed internal process improvements listed above, the SFPUC has developed suggested inter-departmental process improvements that could be implemented by other departments or across departments (see Table 5). To initiate any meaningful improvements to housing production, coordinated improvements across departments are necessary.

Table 5. Proposed Interdepartmental Process Improvements

No.	Issue	Proposed Improvement	Departments	Target
1.	Staffing issues associated with projected workload due to Housing Element.	City-wide as needed contracts could be developed for use by City to augment staff. Create a pool of as-needed consultants, that is available to all departments for help with development work.	City-wide, but a lead would need to be determined.	TBD
2.	There is no standard for preparing project schedules or necessary deliverables to complete a project, leading to no clear path forward for projects.	Create a standardized Work Breakdown Structure (WBS) and schedule to be used by each Developer to forecast submittals dates and goals very early in the process.	City-wide, but a lead would need to be determined. PW ITF with City input.	TBD
3.	Subdivision Regulations are not comprehensive; they lack guidelines and process language to guide subdividers.	Update Subdivision Regulations and include comprehensive standards for the Subdivision Mapping and Infrastructure process.	PW with City input	TBD
4.	City-wide technical specifications, standards, guidelines are often not updated and not easy to find.	Update standards and reorganize websites as needed to enable easy access to standards, specifications, and design guidelines.	City-wide	TBD
5.	City reviewers spend majority of their review time performing QA/QC review of Developer submittals for errors,	Create a robust QA/QC program for Infrastructure Design, which will require Developers to submit	PW with City input	TBD

	omissions, clarifications, etc.	QA plans and perform Quality Control checks at predetermined milestones.		
6.	Permitting requirements are not understood by the Developers or City departments until well into the design development process.	Create a permit matrix of every necessary permit in the City and require each Developer to create a permitting plan.	City-wide	TBD
7.	Permitting review referrals for in-fill projects through BSM are not always consistent across City departments.	Develop a city-wide procedure and tracking system for in-fill infrastructure review.	PW BSM with City-input	TBD

Capacity Assessment and Plan

The SFPUC is currently adding capacity to the Power group. Due to industry-wide marked constraints, the SFPUC is developing recommendations to the Interagency Implementation Team of steps the City can take to allow the SFPUC to add capacity to certain critical functions within the Power and Streetlight groups. For Water, Power and Sewer, the SFPUC is working on initiatives (internally and with DHR) to try to fill internal positions more quickly, as well as exploring the expanded use of contractors when City employees do not have capacity to support the needs of development and the Housing Element. We are also evaluating ways to augment the Housing Coordinator team. Additionally, the SFPUC will continue to reassess staffing and capacity as part of the budget process. To effectively predict staffing needs, the SFPUC will also rely on other City agencies more directly involved with housing and permit applications to estimate workload. The Housing Element calls for a significant increase in housing production, but it is unclear when these new housing units will require permitting review and approvals which makes it challenging to develop an effective staffing plan.

Public Power

For certain new developments, SFPUC relies on PG&E grid service for power. PG&E imposes significant additional requirements on buildings served by SFPUC compared to directly adjoining buildings of the same size and use served by PG&E, which then imposes significant unnecessary construction costs and delays. This has a direct effect on the cost of constructing new housing. PG&E has a long history of obstructing public power projects in San Francisco, including high priority affordable housing projects. The SFPUC regularly reports on these ongoing project disputes with PG&E in quarterly reports to our Commission and Board of Supervisors. The City and PG&E negotiated a settlement agreement that allowed some affordable housing projects to move forward with appropriately sized electrical equipment. However, this agreement was very limited and does not resolve our ongoing issues with

PG&E. Affordable housing projects and other projects continue to incur delays and additional costs due to PG&E obstruction. The City is currently litigating these issues at the Federal Energy Regulatory Commission.

Suggested improvements to speed connection timelines over the next 6-12 months are as follows:

- Staff augmentation in Power's Utility Field Services, Distribution Engineering, Redevelopment, and Customer Engagement teams, in addition to staff augmentation in Customer Service Bureau. Note: For certain positions, Mayoral support may be required for supplemental pay and streamlined hiring.
- Continued development of the Salesforce tracking system to further automate manual processes, including Maximo (asset management system) integration.
- Explore applications like Bluebeam for internal design review and management.
- Engage with senior management at PG&E to address better approaches to meet phased, long-term approaches to large-scale development projects.
- Publish new standards for power infrastructure installation and formalize a design exception process for developers to follow.

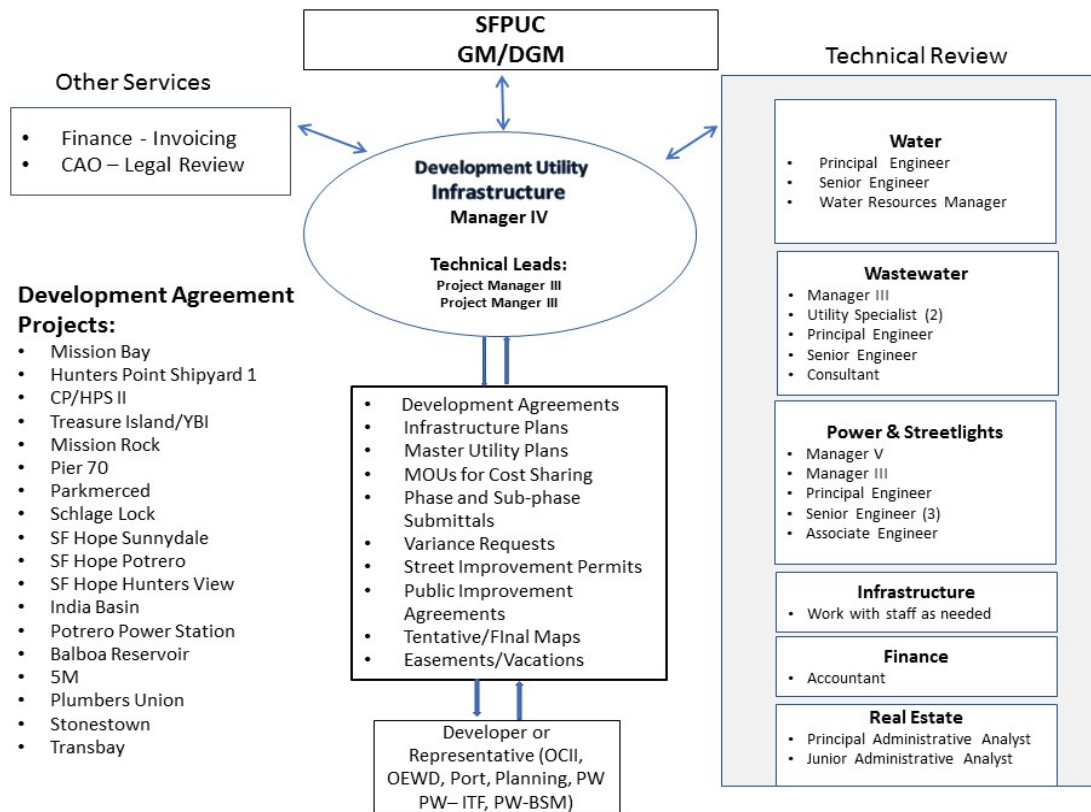


Figure 1. Development Agreement Project Organizational/Flow Chart

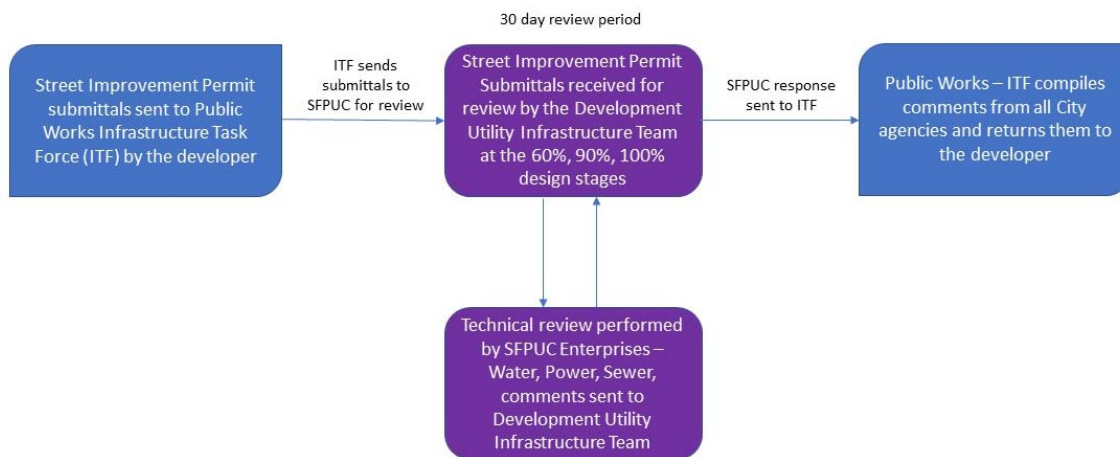


Figure 2. Development Agreement Project SIP - SFPUC Workflow

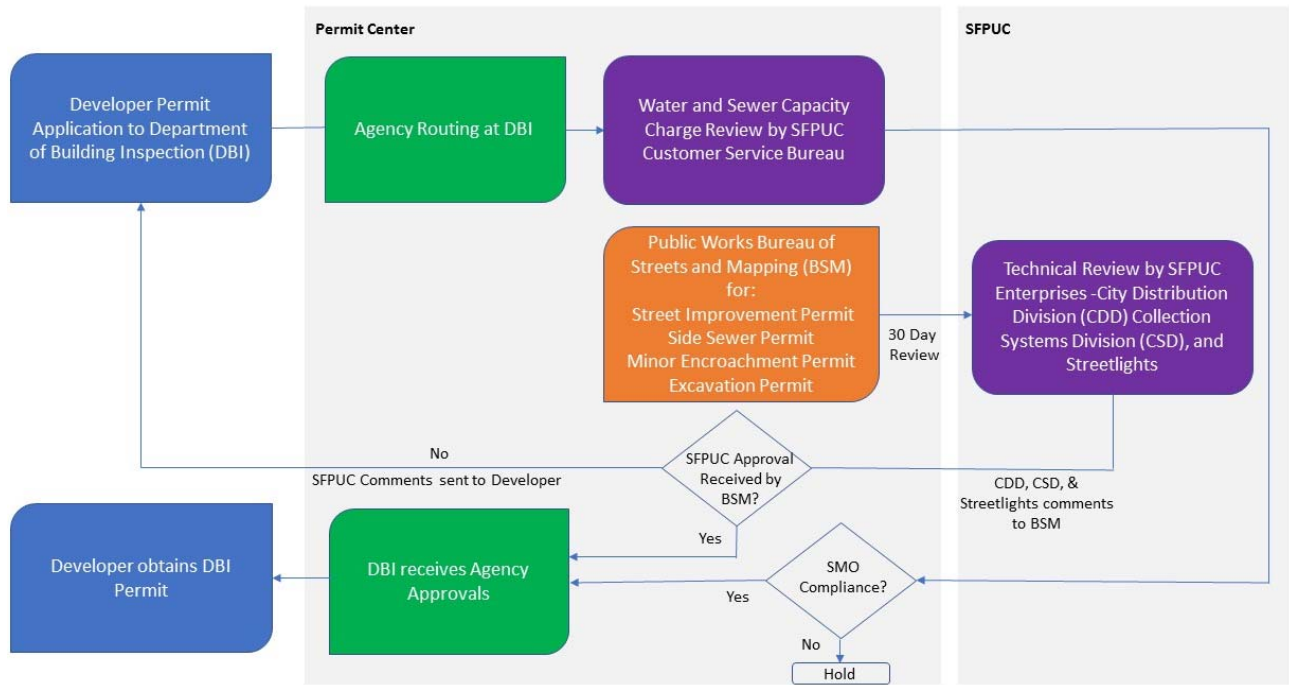


Figure 3. In-Fill Project SIP - SFPUC Workflow