



# Highlights

## Why OCA Did This Study

In accordance with the City Auditor’s FY 2016 Work Plan, we conducted a performance audit of the Development Services Department’s (DSD) Expedited permitting program. Projects which provide affordable housing or meet certain sustainability requirements are eligible to utilize the Expedite Program, which advertises that permits for expedited projects will be processed twice as quickly as standard projects.

Our audit objective was to assess the effectiveness of the program regarding the timeliness of its permitting, as well as the number, types, and geographic distribution of participating projects.

## What OCA Recommends

OCA made [8 recommendations](#) to improve the program, all of which management agreed to implement. Key recommendations include:

- DSD should revise its Performance Measurement Report methodology to track both the timeliness of each permitting milestone, as well as the timeliness of the project timeliness from beginning to when the permit is issued.
- DSD should immediately cease to allow single-family homes and other small residential projects less than 4 units to access the Expedite Program, consistent with program eligibility requirements that the City Council approved.
- DSD should propose revisions to update Expedite Program eligibility criteria for sustainable projects. The updated requirements should align program eligibility with the City’s sustainability goals within the Climate Action Plan and other City policies.

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# Affordable/Infill Housing and Sustainable Buildings Expedite Program

*Improved Performance Management and Updated Eligibility Criteria are Needed to Ensure the Expedite Program Delivers Advertised Incentives and Encourages Sustainable Development*

## What OCA Found

The City of San Diego (‘City’) created the Affordable / In-Fill Housing and Sustainable Buildings Expedite Program (‘Expedite Program’) to incentivize certain development activity that helps the City combat its affordable housing crisis or achieve its environmental sustainability goals. Projects which provide affordable housing or meet certain sustainability requirements are eligible to utilize the Expedite Program, which advertises that permits for expedited projects will be processed twice as quickly as standard projects.

### Finding 1: Available Evidence Does Not Reliably Indicate that the Expedite Program Actually Processes Permits Twice as Fast

In order to ensure the Expedite Program is attractive to potential applicants, advertised incentives – permitting times that are twice as fast – should be consistently delivered. We found that from 2011 to 2015, approximately 45 percent of Expedite Program review cycles were completed late, and overall performance tracking indicates that the program is likely not providing its advertised incentive of processing expedited permits twice as quickly as the standard process. Improved performance management is needed to ensure that the Expedite Program’s advertised permitting timelines are met.

### Finding 2: Opportunities Exist to Increase Expedite Projects’ True Environmental Benefits to the City and Improve the Expedite Program’s Geographic Equity

We found that due to outdated sustainability criteria and a lack of adherence to current eligibility standards, the program is largely attracting projects classified as ‘sustainable,’ but which provide questionable environmental benefits, and in many cases, should not have been admitted to the program. For example, although sustainable project program eligibility criteria approved by the City Council limits eligibility to projects of 4 units or more, approximately 30 percent of the projects admitted to the program in the past 5 years were single-family homes classified as ‘sustainable.’ In addition, because sustainability criteria is outdated, these projects were allowed to enter the program providing as little as 50 percent renewable energy on-site. DSD should cease to allow small projects into the program and should update eligibility criteria to ensure that Expedite Program resources are focused on projects providing the greatest environmental benefit to the City.

