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Our team has released [a new article](#) on land-use regulation and housing in the Bay Area, building on our [report from last February](#) that explored the role of local law and the California Environmental Quality Act (CEQA) on residential entitlement processes and timelines. This article provides more analysis about the ways in which the first five cities (San Francisco, San Jose, Oakland, Redwood City, and Palo Alto) in our study review and approve housing development proposals. We also detail our methods in this article, explaining how we examine the relevant zoning and planning codes, interview key stakeholders, and collect project and process characteristics for all residential and mixed-use projects of five-units or more that received entitlements (essentially final regulatory approvals) in these five Bay Area cities from 2014-16.

Deeper analysis of our dataset does not change our February report's findings:

1. these five cities apply discretionary review (in which the local government retains the ability to say no to a project) to all proposed residential with five units or more;
2. these five cities are highly variable in the kinds of land-use and environmental review processes they use to approve projects, or in other words, how they apply discretionary review differs;
3. most of these five cities are using streamlined review processes to comply with CEQA;
4. these five cities have very different timeframes for approval, even when they use very similar review processes; and
5. we encountered significant challenges in collecting data, even for jurisdictions that had excellent public portals for data access.

But in this article, we were also able to provide additional insights by both digging deeper into our existing data and expanding our additional data collection. First, we were able to quantify the average number of discretionary review approvals that cities are imposing on development that successfully navigate the entitlement process. We found that these five cities applied similar numbers of discretionary review approvals to proposed development: the average number of approvals for proposed development ranged from 3.41 (San Francisco) to 3.77 (Redwood City). We also found, however, that the average amount of time that it took for developers to move through these approvals varied across these cities, ranging from 10 months (Oakland) to 34 months (San Jose). Remarkably there is no clear relationship between the number of approvals a proposed development goes through and the amount of time it takes to complete those approvals. San Francisco, for example, requires on average 3.41 approvals but the average timeframe is 31 months. Redwood City,

in contrast, requires on average 3.77 approvals but the average timeframe is 16 months.

Second, we found little relationship between the size of the project, and the timeframe required to provide final entitlement approval for the project. It may be that if the compliance costs of local land-use regulation are significant, developers pursuing larger projects may have more capacity to handle those compliance costs through the use of a consultant or other professional to guide them through the process. Similar to the finding described above, this result is counterintuitive, if one believes that the size of a project would ordinarily correlate with the environmental and social impacts of a project, and higher impacts would ordinarily trigger more searching (and therefore lengthier) review. This emphasizes to us the importance of understanding how local land-use regulation occurs within specific cities in California when examining the question of what delays or expedites housing development—even at a regional level.

Third, spatial analysis of our data indicated that at the city-level, the rate of project approvals is not evenly distributed across a city but appears concentrated in areas where cities have done previous planning analyses that can facilitate streamlined local land-use and CEQA reviews. This is important because it shows the importance of those planning efforts for facilitating housing approvals in these cities, but also because those planning processes tend to be concentrated in neighborhoods that have more preexisting commercial and industrial uses and lower income and higher populations of color. For instance, nearly all residential development approvals in San Francisco occurred in the South of Market, Mission Bay, and Mission Districts, and not in the west side of the city—even in neighborhoods with transit access. These results highlight the importance of considering equity when the state and local governments decide how to facilitate increases in housing production.

Fourth, we found that few of the projects in our study areas involved the proposed demolition of existing housing – in other words most development in these five cities were proposed on vacant sites or sites that formerly were commercial or industrial uses. A major component of the public debate on infill housing development in California has been concerns that this development may directly displace existing residents through demolition of existing housing. Within three of these five cities, the proposed development would not appear to cause direct displacement. Though infrequent, when direct displacement does occur—for example, the San Jose development that demolished a large rent-controlled building contained no affordable or price-controlled units—jurisdictions could require replacement affordable units to ensure no net loss of affordable housing stock. This

research also does not answer questions about indirect displacement (i.e., concerns that development even on vacant or non-residential parcels in a neighborhood may cause housing prices in the neighborhood as a whole to increase, displacing residents more broadly).

Fifth, we found that relatively little of the entitled housing development in our dataset was deed-restricted affordable housing—housing that is legally required to be sold or rented only to moderate- or low-income residents, although 100% proposed affordable housing development moved more quickly through the entitlement process than market rate development in each city. In our three large cities (San Jose, San Francisco, and Oakland) only between 4 (Oakland) to 11 percent (San Francisco) of the entitled housing units were deed-restricted affordable units, with San Francisco also producing the highest count of entitled affordable housing units (at 1,110) through its inclusionary ordinance. Given the demand for affordability in the region, this suggests that the effectiveness of existing affordable housing policies both in these cities and at the state level remains an open question.

Finally, we were able to collect data about the proportion of approved projects that were either appealed in the administrative approval process at the local government level or were ultimately challenged in court. This analysis is important to understanding the political context in which entitlement operates. We found low litigation rates—only about 3 percent of all approved projects, comprising about 6% of all approved units were litigated. But we found substantially higher administrative appeal rates, with about 14% of projects appealed, comprising about 22% of all approved units.

All of these results together indicate that within these cities local dynamics—whether political pressure from neighbors, fiscal pressures, staffing, practices and funding within planning offices, or other—play a greater role in shaping entitlement timelines than state mandated environmental review. This in turn leads us to conclude that the focus of Bay Area cities and the state in facilitating housing production in the Bay Area should be the local land-use regulatory process, and directly addressing the local dynamics that drive how that process works. Second, the state should facilitate and/or require better data availability on housing review and approval processes to facilitate understanding how our local land-use process works and how to make it better. We provide specific recommendations on this point and note where current reporting requirements (while helpful and important) may not suffice to provide the required insight into the questions most policymakers are engaging around production, affordability, and process.

We are continuing our work and concluding our data collection from four Los Angeles area

cities now (Los Angeles, Pasadena, Long Beach, and Santa Monica), and beginning work in seven more cities throughout California. We are excited to see how that data may be consistent with, or differ, from our data from the Bay Area.