



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Joseph Horwedel

SUBJECT: SEE BELOW

DATE: March 13, 2008

Approved

Date

3-14-08

COUNCIL DISTRICT: City-Wide
SNI AREA: All

SUBJECT: Report on Measurable Improvement in the Development Permit Process

RECOMMENDATION

Accept the report regarding progress made towards measurable improvement in the development permit process.

OUTCOME

This item informs the City Council and interested members of the public about improvements in the land use development permit process. This item also provides the Council an opportunity to provide input on proposed process improvements.

EXECUTIVE SUMMARY

In April 2007, the development services partners – Planning, Building, and Code Enforcement, Public Works, and Fire Departments – established, for the first time, a baseline of customer satisfaction data with the *2006 Development Services Customer Satisfaction Survey*. The survey gauged the satisfaction levels of a representative sample of 1,000 customers receiving development services. Now in its second year, the survey is helping city staff pinpoint not only specific improvement areas, but also areas of strength so that the partners can capitalize on what is working well. These results, along with refined performance measurements, are providing a reliable foundation of data from which to base and track operational and process improvements.

Initial 2007 survey results received in February show positive improvements in 12 out of 15 top level measurements (See Figures 1 and 2). In addition, recent performance data demonstrate that the partners are meeting most target deadlines, and maintaining very low review cycles and processing times for residential projects and commercial projects handled through the City's Special Tenant

Improvement (STI), Industrial Tool Installation (ITI), and Small Business Ambassador (SBA) Programs.

BACKGROUND

In his March 2007 State of the City speech, Mayor Reed called for measurable improvement in the development process in a year. Staff from the development service partners has responded by changing procedures, developing new performance measures, enhancing staff training, and making other needed improvements. This report describes the results of those efforts and identifies additional improvements in progress.

ANALYSIS

After the first *Development Services Customer Satisfaction Survey* city staff focused their process improvement efforts in five areas:

- Customer Satisfaction
- Communication
- Consistency/Accountability (Quality)
- Timeliness
- Staff Professionalism

The five areas are all critical in attaining the development partners' goal of delivering world-class land use planning, development, and enforcement services that help increase the city's economic vitality and enhance community quality of life. Accomplishments are provided below for each of the five areas along with references to applicable data contained in the attachment. The Analysis concludes with the identification of additional process changes to drive another year of measurable, successful service delivery.

Customer Satisfaction

The satisfaction of customers reflects the customers' overall experience with the development process and their interaction with all partner Departments. Customer satisfaction also reflects performance in other areas, such as communication, consistency, etc.

Accomplishments in customer service are demonstrated in the initial results of the *2007 Development Services Customer Satisfaction Survey*, which show positive improvement in 12 out of 15 top-level measures (See Figures 1 and 2, below). The data shown in those figures summarizes overall satisfaction ratings, overall satisfaction with key milestones in the development process, and whether or not they feel service has improved in the past twelve months.

Figure 1:

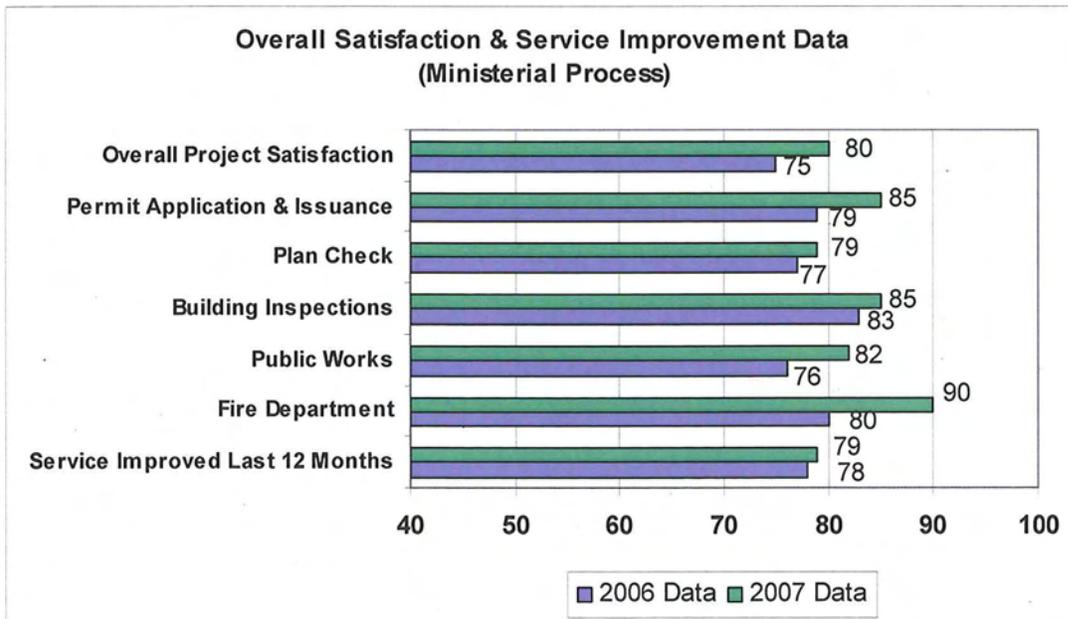
Customers obtaining Discretionary Approvals (i.e., Zoning, Planning Permits, etc.) typically have lower satisfaction with the process than customers in Ministerial processes (e.g., Building Permits). While this trend is likely to continue, the Development Partners are working to close the gap.



Source: Development Services Customer Satisfaction Survey

Figure 2:

Almost 80% of Ministerial Permit customers surveyed agree that services have improved in the past 12 months. Ministerial Permits include Building Permits, Grading Permits, other engineering approvals, etc.



Source: Development Services Customer Satisfaction Survey

In April, staff will provide Council with the full survey report after the consultant has completed the entire analysis of the 2007 survey data.

Communication

Development Services customers desire regular communications that are clear, specific, thorough and correct. That desire extends to inter- and intra-departmental communication on specific projects.

Accomplishments in this area include:

- Enhancing early communication on planning projects by contacting applicants within 3 days and scheduling an initial project review meeting within 14 days if requested by an applicant. This protocol began in July of 2007;
- Conducting mandatory project “hand-off” meetings with the applicant and old and new Planning project managers;
- Establishing direct communications channels with customers
 - Periodic electronic newsletter: *Development News*
 - On-line, user-managed subscription service for newsletter and other development-related mailing lists;
- Convening regular meetings with stakeholder and customer groups – Developer’s Roundtable, Construction Roundtable, Chamber of Commerce, etc.; and
- Developing a redesign for the Planning, Building and Code Enforcement website and continuing to create a new customer- and project-focused framework for website content.

Consistency/Accountability (Quality)

Customers want staff to be accountable for and to manage a development process that is fair and predictable. Work in this area involves setting and maintaining clear, consistent standards as well as taking ownership of mistakes and moving to fix them in a proactive manner.

Accomplishments in this area include:

- Establishing Field Inspection Coordinators to ensure inspection consistency and resolve conflicts (the Coordinator’s name and contact information is on Permit Cards and Field Inspection Notices);
- Assigning a LEED-accredited planner to help guide green projects through the development process;
- Offering free public training sessions on the new California Building Standards which were attended by 450 people;
- Proactively preparing guides and procedures for staff and customers to address changes in construction practices necessitated by the newly adopted codes;
- Formed a new Public Works Traffic Team to improve efficiency and consistency in the Traffic Impact Analysis review process and meet the demands of the Transportation Level of Service Policy and new development in North San Jose; and
- Updating the 1992 Standard Construction Details and Specifications to streamline and clarify the construction process (Public Works).

Timeliness

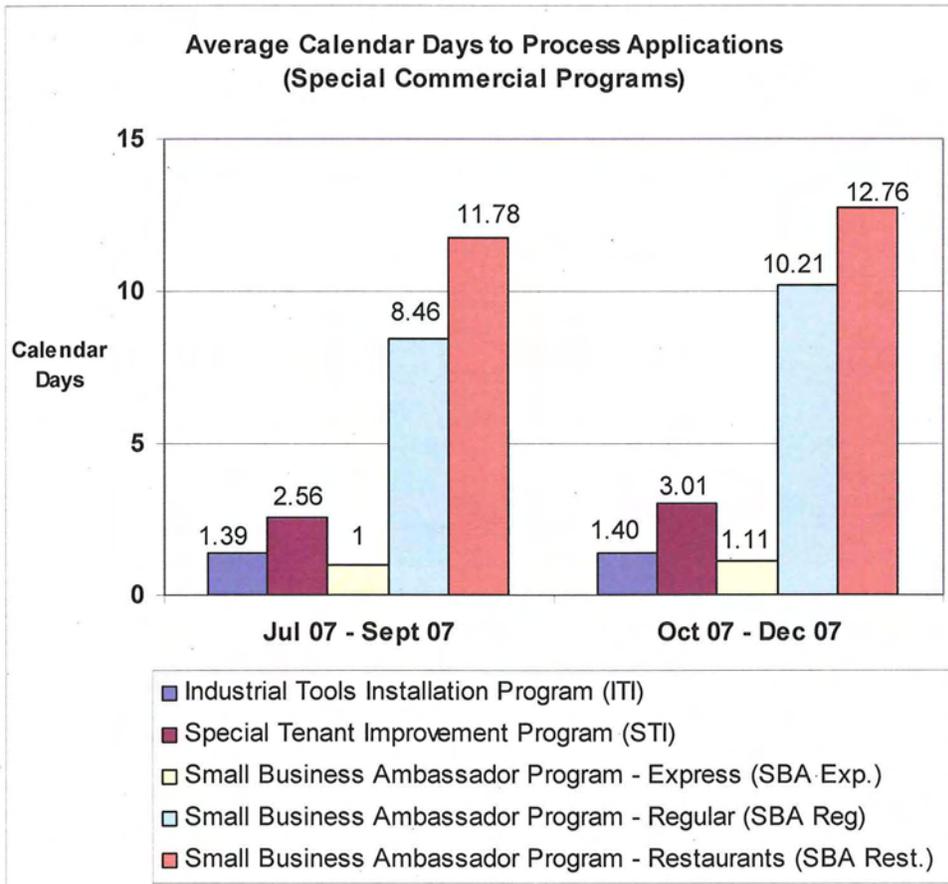
Customers want the Partners to prepare and meet agreed upon schedules.

Accomplishments in this area include:

- Achieving rapid plan review times and low average review cycles for projects in the special commercial programs (Small Business Ambassador, Industrial Tool Installation, and Special Tenant Improvement). Specifically, complex restaurants take approximately two weeks of staff time to process (See Figure 3, below) while all special programs are averaging less than one and a half review cycles (See Figure 4);
- Meeting most of the processing targets for Planning and Building (See Figure 5);
- Meeting Plan Conformance review targets and facilitating overall building plan check process;
- Refocusing staff work priorities in Public Works to accommodate the steady influx of planning applications; and
- Filling Fire Engineer vacancies to augment plan check and inspections.

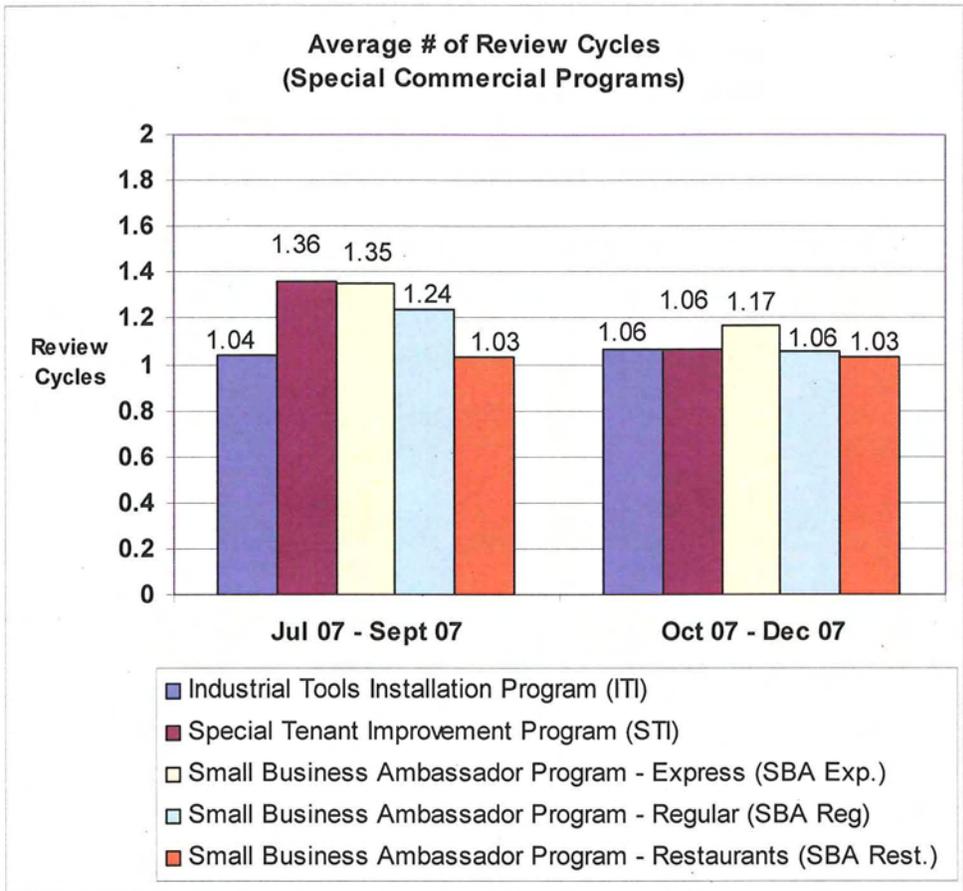
Figure 3:

Special commercial programs facilitate new businesses and the retention of existing businesses.



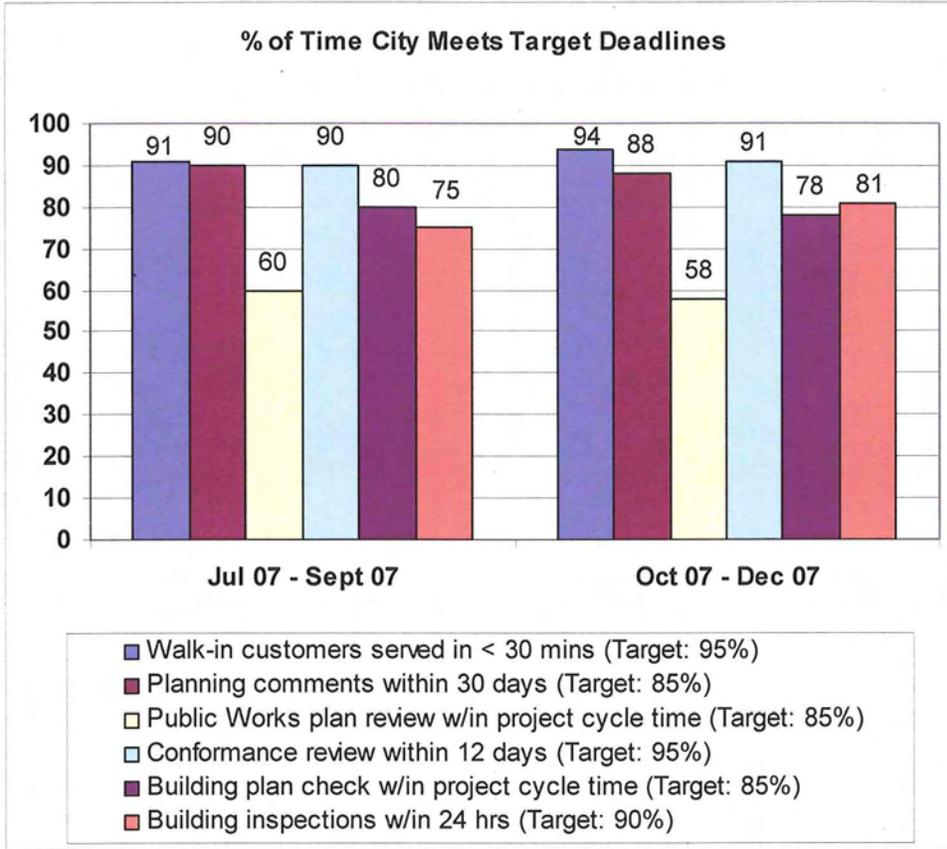
Source: City of San Jose

Figure 4:
One review cycle is the minimum needed for completing Building Plan Check.



Source: City of San Jose

Figure 5:
 The Development Partners meet most performance targets.



Source: City of San Jose

Staff Professionalism

The recruitment, retention, and enhancement of well-trained staff are critical for both improving performance in development services and for implementing new initiatives like the City’s Green Vision.

Accomplishments in this area include:

- Establishing a staff work team to focus on building our internal Green Building expertise;
- Reinstating biweekly Public Works staff training sessions to reinforce Public Works standards and processes within the development process;
- Conducting workshops on implementation issues of the newly adopted Building codes for staff and customers.

Process Improvements in the Coming Year

The partners will be working on a number of improvements in the coming year to continue to drive improved performance and increased customer satisfaction. Among many items being considered are:

- Redesigning the PBCE website and outreach materials to tailor information specific to customer needs (e.g. residential remodels, opening a restaurant);
- Developing a universal Planning permit application and application submittal guidelines;
- Implementing changes to the Public Works service delivery model to improve customer service and review times;
- Updating the Sign Ordinance for downtown, industrial areas, and business districts to streamline the code and encourage quality signs;
- Creating new zoning districts for North San Jose and Alum Rock to eliminate the need for Planned Development Zonings;
- Developing a Green Building policy for private development and increasing the number of staff with green training and experience;
- Finding ways to bring more certainty to how the City determines historic landmark status for structures;
- Streamlining the tree removal process for single family parcels;
- Establishing a project “chess clock” to better track the time a project spends with the City versus the applicant;
- Continuing to expand the pilot program to expedite Planning review for small development projects;
- Expanding online project tracking functionality;
- Exploring ways to assign the same inspector to the same project on a wider range of projects; and
- Updating the customer service policy.

EVALUATION AND FOLLOW-UP

The development partners will continue to work with the Chamber of Commerce and other stakeholder groups to identify, evaluate, prioritize and implement improvements to the land use development permit process. The partners will also continue to report back to the Community and Economic Development Council Committee quarterly on progress made in process and performance improvements.

POLICY ALTERNATIVES

Not Applicable

PUBLIC OUTREACH/INTEREST

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the city. **(Required: E-mail and Website Posting)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

The results summarized in this report have been separately shared with the different customer groups of the Development Service Partners in meetings to discuss performance results, budget proposals and fee changes.

COORDINATION

This project was coordinated with the Department of Public Works, Fire Department, and the City Attorney.

FISCAL/POLICY ALIGNMENT

Not applicable.

COST SUMMARY/IMPLICATIONS

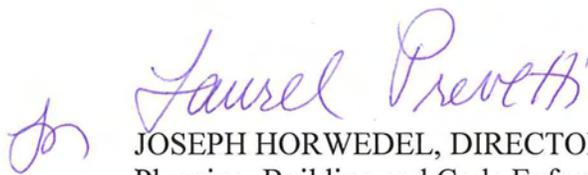
Not applicable.

BUDGET REFERENCE

Not applicable.

CEQA

Not a project.


JOSEPH HORWEDEL, DIRECTOR
Planning, Building and Code Enforcement