



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Joseph Horwedel

SUBJECT: SEE BELOW

DATE: June 5, 2007

Approved

Date

COUNCIL DISTRICT: CITYWIDE
SNI AREA: N/A

SUBJECT: ACCEPTANCE OF REPORT OF SAN JOSE COALITION FOR JOBS NOW AND STAFF COMMENTS OF PROPOSED DEVELOPMENT PROCESS IMPROVEMENTS

The Committee accepted the report from the San José Coalition for Jobs Now, and directed that the item be reported out to the full Council for consideration. These modifications as discussed in the analysis section below address the committees requests.

RECOMMENDATION

Staff recommends that the City Council accept the report of the San José Coalition for Jobs Now that includes suggested process improvements and the comments from staff for implementation priorities.

OUTCOME

The report identifies areas of potential change to the development process that could shorten the process. Implementation of all measures would require: adjustment of current staff priorities, engaging in discussions with employee bargaining groups, and outreach to neighborhood groups.

BACKGROUND

The City Development Services Partners have been working with the San Jose Coalition for Jobs Now, a group of our main customers including the San Jose Silicon Valley Chamber of Commerce, Building Owners Maintenance Association Silicon Valley, NAIOP, Home Builders Association, California Apartment Association - Tri-County, Santa Clara County Association of Realtors, and the San Jose Downtown Association to review current performance measures, specific targets and

These activities align with the three goals of Planning, Building and Code Enforcement of:

1. Streamlining the Process,
2. Aligning Our Services to the Customer, and
3. Building a Sustainable Service Delivery

The San Jose Coalition for Jobs Now recently presented at the Community and Economic Development Committee on May 21st a series of recommendations that they developed that would improve the permitting process. Those recommendations are attached to this memo. At the Committee meeting, the Coalition members and staff discussed the benefits of the recommendations.

Staff noted on several of the recommendations that while they support the concept, embodied in the recommendation, either resource limitations, and/or linkages to other projects would delay implementation.

ANALYSIS

The 16 recommendations are split into to two main groups, planning related and building process related. Staff has annotated the matrix of recommendations to add a new column labeled "Proposal Status / City Comments" where a status of Completed, Underway, Defer or Drop has been added for each recommendation, as well as comments about the recommendation that would affect its implementation. Currently ten of the recommendations are underway in some form and one is completed. One is listed as drop as it proposed revisiting the Zucker Systems study of the development process. As noted in the matrix, Staff, working with the development industry, prioritized the recommendations in the Zucker Study for implementation. Since that study, the Council has conducted Getting Families Back to Work and Counter to Council sessions that addressed the development process and resulted in new recommendations. Resources do not exist to complete all recommendations identified in the different sessions. Priorities have been identified to focus on the most important initiatives.

POLICY ALTERNATIVES

None

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

Although this item does not meet any of the above criteria, staff will follow Council Policy 6-30: Public Outreach Policy as specific proposals are advanced that change development rules, policies or ordinances. Staff is available to respond to questions from the public.

COORDINATION

This report was coordinated with the Public Works Department, the Fire Department and the Office of Economic Development.

FISCAL/POLICY ALIGNMENT

Not applicable.

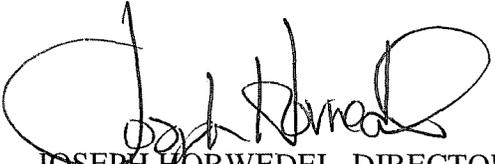
COST SUMMARY/IMPLICATIONS

Not applicable.

BUDGET REFERENCE

Not applicable.

CEQA: Not a project.


JOSEPH HORWEDEL, DIRECTOR
Planning, Building and Code Enforcement

For questions please contact Laurel Prevetti at 408-535-7901.

San Jose Coalition for Jobs Now

City of San Jose: PBCE Division Reforms Action List #1

Executive Summary

Reform by Department	Principal Concerns	Proposed Solutions	Benefits of Changes	Proposal Status / City Comments
Planning Division Reforms				
1. Conduct Project Kick-Off Meeting within 14 Days of Project Filing	<ul style="list-style-type: none"> • 30-Day Letters often give standardized information without complete project review and meaningful feedback 	<ul style="list-style-type: none"> • City appoints project lead for duration of project • Identification of all responsible reviewers • Applicant and above Staff meet within 14 days of application 	<ul style="list-style-type: none"> • Increased communication • Staff and applicant understand project and intended process • 30-Day Letter will contain meaningful feedback • Changes times reduced 	<ul style="list-style-type: none"> • Underway. Staff has implemented a 3 day call after application submittal to introduce Project Manager to the applicant and scheduling a meeting with the applicant approximately two week after filing
2. City to Outsource Smaller Projects	<ul style="list-style-type: none"> • Regular City Staff is often required to handle too many projects simultaneously • Comment and response times are lengthened. • Higher applicant costs 	<ul style="list-style-type: none"> • City to outsource conventional, lower-level applications (lot line adjustments, parcel maps) • Free up Staff time for complex or controversial projects 	<ul style="list-style-type: none"> • Regular City Staff could concentrate on major issues • Staff enabled to implement more effectively 	<ul style="list-style-type: none"> • Defer. The City is proceeding with contractual plan check services for the Building and Fire plan check functions. Following signing those contracts, staff will begin the process of scoping such contracts and meeting with the affected bargaining units. This will take more that 6 months to accomplish and divert significant administrative resources to complete.
3. Delete Excessive Design Standard Language from Two-Acre Rule	<ul style="list-style-type: none"> • Current General Plan Two-Acre Rule language forces higher design standards on small infill projects 	<ul style="list-style-type: none"> • Delete General Plan Text for Two-Acre Rule: 1) "Projects developed under this policy should be of exceptional design." 2) "To use this policy, projects should exceed the minimum standards of the Zoning Ordinance and 	<ul style="list-style-type: none"> • Revised language will make it easier for projects to use Two-Acre Rule • Infill projects will be easier to build • Small infill projects will be more compatible with and 	<ul style="list-style-type: none"> • Defer. Staff is interested in allowing greater flexibility for implementing the polices of the General Plan and Zoning to streamline the process including the 2 Acre Rule. There should be greater certainty of what circumstances warrant such flexibility to be used to ensure that

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		adopted design guidelines.”	designed in similar ways as adjacent and surrounding uses	the community feels adequate protection or certainty. This issue should be looked at the larger policy question of what is the baseline of appropriate level of quality and should there be a higher level demanded for the ability to expedite the process. Significant community participation should be required for a change to this policy.
4. Establish On-Line and Accessible Record Keeping Process for Project Tracking	<ul style="list-style-type: none"> • Currently information is stored in different computer locations • No single source for data 	<ul style="list-style-type: none"> • Password-controlled secure access to project records, tracking information for all responsible parties • Agreed-upon project deadlines posted 	<ul style="list-style-type: none"> • Staff and builder will be able to clearly track project • Better communication, cooperation • Reduced project time 	<ul style="list-style-type: none"> • Underway. Staff has revised Project Status Notes previously prepared for Council member briefings to included project milestones and more specific information. These notes are being prepared for availability on the web.
5. Application Filing Date, Dep’t Processing Timeline Goal on Staff Reports, Director’s Hearing Items	<ul style="list-style-type: none"> • Currently, no formal process to track time it takes to move application through review and approval process • Publicly published timeline goals and results will help to all parties 	<ul style="list-style-type: none"> • Include application filing date, days from filing date to hearing date, and Department Processing Time Goals (for application type) on Staff Reports reviewed by Planning Commission, Council 	<ul style="list-style-type: none"> • Enables appointed and elected public officials to have a simple, clear and visible way to track project times • More accountable system will result in process improvements 	<ul style="list-style-type: none"> • Underway. Staff reports to Planning Commission and Council now include a application submittal date. Staff is developing a standard project chronology chart that will accompany staff reports that lists project milestone dates, staff and applicant portions of the process. Department Processing goals are included with every application form. They are posted on the Planning web site.

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				Staff is beginning the dialog with customers on the specific targets for cycle time to ensure that they match available resources and are appropriate.
6. Residential Design Guidelines Update	<ul style="list-style-type: none"> • Current outdated guidelines promote only suburban standards which are being mandated for newer urban infill projects • Frequently guidelines conflict environmental goals and new higher density requirements 	<ul style="list-style-type: none"> • Update Residential Design Guidelines • Include builder community in workshops to promote changes 	<ul style="list-style-type: none"> • Review time for development applications reduced • Encourage more intense and easier to produce infill development 	<ul style="list-style-type: none"> • Underway. Currently staff is completing an update to add sections addressing high density housing. It is anticipated this section will be presented to the Council after the summer recess. • Defer. Staff supports update of the RDG for small infill residential projects. Extensive community involvement in the update of infill development is anticipated. Resources are not identified for this item at this time.
7. Reduce or Eliminate Counter Time for Project Review Planners	<ul style="list-style-type: none"> • Currently Planning Project Managers have Planning Counter duty • Practice reduces time available time for project review work • Development project slowed because of conflicting demands on 	<ul style="list-style-type: none"> • Reduce or eliminate Counter time for Planners who review development applications 	<ul style="list-style-type: none"> • Planning Project Planners have more time to work on designated projects • Better communication between Staff and applicants • Possible Staff morale increase 	<ul style="list-style-type: none"> • Underway. Staff is implementing on June 11th the use of full time staff on the counters. Rotations to move the staff resources for this change are occurring. One consequence of the change will be to reduce the ability of the staff to be flexible staffed to respond to increases in activity in the department.

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	responsible city staff			
8. Clear Identification of Planner Leads and Project Managers	<ul style="list-style-type: none"> • Frequently no clear identification of Project Lead and Project Managers • Sometimes personnel changes are made without informing applicant • Results: unnecessary phone calls and duplication of effort by both city and applicant 	<ul style="list-style-type: none"> • Clear Identification of Planner Lead and Project Managers at beginning of project (14-day meeting if possible) • Single party then available to answer questions; others free to concentrate on project work • Project lead could direct inspectors and delegate work to Staff from other departments 	<ul style="list-style-type: none"> • Planner Lead enable to “take ownership” of project • Clear delegation of authority Planner Lead will result in improved processing time more effective direction of staff efforts 	<ul style="list-style-type: none"> • Underway. Staff is currently implementing the meeting of the Project manager and the Applicant’s team early in the process (approx. 14 days from filing). Staff will continue to change during the process due to retirement, leaving the City, and from rotations. Staff is looking at the process of notifying applicants when a change occurs to reduce the problem of project hand offs.
9. Improve / Streamline CEQA Environmental Review Process	<ul style="list-style-type: none"> • Environmental review process frequently causes project delays 	<ul style="list-style-type: none"> • Staff to implement 2002 Zucker Systems Development Services Study #169-175 • Staff to condense CEQA process for projects which do not require a General Plan Amendment 	<ul style="list-style-type: none"> • Reduction of processing time for development application • Staff time savings • Reduced costs for developer 	<ul style="list-style-type: none"> • Drop. The City Council received a final report of the implementation of the Zucker Study. Staff, working with the development industry, prioritized the recommendations that were implemented. State law and case law drive the majority of CEQA decision that the City staff make related to projects. • Underway. Staff works at the State level to modify CEQA statutes to allow greater flexibility form in-fill development. The General Plan Update EIR will allow an opportunity under current CEQA law to

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				streamline the development process if sufficient time and resources are made available to cover project level analysis.
10. Implementation of Past Improvement Recommendations`	<ul style="list-style-type: none"> Process improvement recommendations have been made over the past several years 	<ul style="list-style-type: none"> Review and provide public update of Zucker Systems Study (2002) Determine and act on highest viability recommendations 	<ul style="list-style-type: none"> Additional process review suggestions might be available for current consideration 	<ul style="list-style-type: none"> Drop. The City Council received a final report of the implementation of the Zucker Study. Staff, working with the development industry, prioritized the recommendations that were implemented. Since that study, the Council has conducted Getting Families Back to Work and Counter to Council sessions that addressed the development process and resulted in new recommendations. Resources do not exist to complete all recommendations so priorities need to be set and followed to focus on the most important initiatives.
Building Division Reforms				
11. Planning Conformance Review	<ul style="list-style-type: none"> Slow Planning Conformance Review process 	<ul style="list-style-type: none"> Require Planning Conformance Review to be completed by time First Round Plan Check Comments are provided to applicant 	<ul style="list-style-type: none"> Delays in building permit process could be avoided Coordination between Planning and Building Divisions would be improved 	<ul style="list-style-type: none"> Complete. Project Conformance Review is scheduled with the initial Plan Check process, targets have been established for the Conformance Review based on the schedule of the Building Review.

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<p>12. Expand Use of Combined Inspectors</p>	<ul style="list-style-type: none"> • Current practice of scheduling and coordinating inspections for each sub-trade increases project time for all parties 	<ul style="list-style-type: none"> • Expand use of combine inspectors for all projects up to Type III, One Hour Construction 	<ul style="list-style-type: none"> • Fewer inspections necessary • Waiting time reduced • Fewer staff saves city time, resources 	<ul style="list-style-type: none"> • Defer. Staff is willing to look at this proposal; however, staff is currently devoting extensive time to learning the new International Codes “I-Codes” which will be adopted this year and effective Jan 1, 08. To implement this measure will require extensive training of the inspectors that would be conducting inspections which will need to occur after the I-Codes are implemented and we are able to help teach them to our traditional customers. This item also will require opening discussions with several bargaining units.
<p>13. Inspector Continuity</p>	<ul style="list-style-type: none"> • Often inspectors change over course of a project, resulting in conflicting interpretations and conclusions • Additional time needed to bring new inspector “up to speed” 	<ul style="list-style-type: none"> • Inspectors should be assigned for duration of project • Maintenance of consistent staffing assignments should be made a priority 	<ul style="list-style-type: none"> • Inspection process will be more consistent and efficient • Time saved for staff and customer 	<ul style="list-style-type: none"> • Underway. Staff concurs with goal. Major project and tracts currently have an identified Inspector of Record (IoR) and the City is able approx. 80% of the time to have the IoR conduct the necessary inspections. The remaining 20% occurs due to vacations and maintaining 24 hour response to inspection requests while balancing overall workload. To implement this measure fully would require changes to the 24 response target and / or

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				<p>addition of inspectors to create sufficient capacity for unscheduled peaks in requests with extremely short response targets. Project Inspection cards will be modified by June 30th to list the Supervising Inspector as the field coordinator for customers to call if there are inspection coordination issues. Staff does rotate during the year and to efficiently manage those rotations, changes need to occur during the construction cycle, or capacity in staff needs to be added to cover for loss of productivity for those staff rotations.</p>
<p>14. Allot Enough Time for Field Inspections</p>	<ul style="list-style-type: none"> • Frequent call backs are necessary because adequate time has not been allotted for field inspections • Charges to applicant are higher • City staff burdened with extra travel time 	<ul style="list-style-type: none"> • Expand time allotted for field inspections on an as-needed basis giving the inspector discretion to decide the exceptional cases • Allocation of time could be done at building permit time 	<ul style="list-style-type: none"> • More consistent and efficient inspection process • Time and expense saved for Staff and customer 	<ul style="list-style-type: none"> • Underway. Staff has implemented more flexibility for the customers to ask for inspection time they need. This has created greater challenges to implement the inspector continuity and maintain performance cycles as there is little ability to coordinate between projects of when their construction schedule necessitates the time of an inspector.
<p>15. Approved Plan</p>	<ul style="list-style-type: none"> • Field inspectors make interpretations that conflict 	<ul style="list-style-type: none"> • Approved Plan Check Documents to prevail, unless 	<ul style="list-style-type: none"> • Delay will be avoided • Reduction of costs for changes 	<ul style="list-style-type: none"> • Underway. A designated coordinator for both the plan check

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<p style="text-align: center;">Check Documents to Prevail over Field Inspector</p>	<p>with approved Plan Check documents</p> <ul style="list-style-type: none"> • Project delays /expenses incurred 	<p>Field Inspector identifies error or oversight that impacts public safety</p>	<ul style="list-style-type: none"> • Staff will not have to resolve conflicts 	<p>and inspection area has been established. These coordinators resolve field identified discrepancies.</p> <ul style="list-style-type: none"> • Defer. Staff supports creating a standard protocol for resolving differences that are identified in the field between plans and field conditions. Staff is currently devoting extensive time to learning the new International Codes “I-Codes” which will be adopted this year and effective Jan 1, 08. To implement this measure will require a coordinated effort between the inspectors and plan checkers. Following implementation of the I-Codes in 2008, staff will proceed with this item.
<p>16. Provide Written Performance Standards and Fee Schedule with Unit Pricing to all Applicants for Sub-trade Plan Check Review</p>	<ul style="list-style-type: none"> • Written performance standards and fee schedules are not provided to applicants requesting plumbing, mechanical and electrical permits • Contractors have difficulty with costs and time necessary to complete project 	<ul style="list-style-type: none"> • Staff to establish performance standards and fee schedules • Provide these in writing to applicants requesting plumbing, mechanical and electrical permits • Fee schedule should include unit pricing or a simple formula approach from which applicants may calculate 	<ul style="list-style-type: none"> • Contractors will be able to better estimate time and cost to secure permits • Performance standards should improve processing timelines • Applicants will have an improved customer experience 	<ul style="list-style-type: none"> • Underway. Targets are in place for the Plumbing, Mechanical and Electrical sub trades. These targets will be posted on the web for our customers to use to estimate project time lines by June 30th. • Drop. Flat rate fees were eliminated to reduce the potential for certain classes of projects to subsidize other projects. Fees are being collected

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		possible fees		based on the staff time consumed by individual projects.

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