

# Memorandum

**TO:** COMMUNITY AND ECONOMIC  
DEVELOPMENT COMMITTEE

**FROM:** Joseph Horwedel

**SUBJECT** PANEL DISCUSSION – EFFORTS  
TO STREAMLINE THE PERMITTING  
PROCESS (PHASE 1)

**DATE:** January 14, 2008

Approved

*Paul Gault*

Date

*1/14/09*

On January 28, 2008, the Community and Economic Development Committee will have a panel discussion on efforts to streamline the permitting process in San José. Staff from the City's Development Service Partners (Planning, Building and Code Enforcement, Public Works, and Fire) have been working with members of the development community on a Phase 1 list of improvements (Attachment A: JobsNow Phase 1 Matrix with Latest Status). Of the twenty-six items on the Phase 1 list, twelve have been completed, six are underway, and the remaining eight items were either deferred or dropped.

Since the conclusion of Phase 1 in December 2007, the Development Service Partners have been developing proposed improvement items for Phase 2. The panel discussion on the 28th will review those items under consideration and discuss successes and progress made during Phase 1.

For questions, please contact Joseph Horwedel at (408) 535-7900.

*Joseph Horwedel*  
JOSEPH HORWEDEL, DIRECTOR  
Planning, Building and Code Enforcement

Attachments:

1. JobsNow Phase 1 Matrix with Latest Status
2. Development Services Report (January 14, 2008)  
with performance data from July – December 2007

JobsNow Phase 1 Matrix with Latest Status  
January 14, 2008

Reform by Department	Proposal Status / City Comments
<p><b>1. Contact Applicant Within 3 Days Of Application And Conduct Project Kick-Off Meeting Within 14 Days Of Project Filing</b></p>	<ul style="list-style-type: none"> <li>• <b>Complete.</b> Staff has developed and implemented a new procedure for project manager assignment and applicant contact within 3 days after application submittal. At time of applicant contact the project manager introduces himself or herself and schedules a meeting on project with the applicant approximately 14 days after application submittal. AMANDA system modified to track performance and performance data currently being collected.</li> </ul>
<p><b>2. City to Outsource Smaller Projects</b></p>	<ul style="list-style-type: none"> <li>• <b>Defer.</b> 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 than 6 months to accomplish and divert significant administrative resources to complete.</li> </ul>
<p><b>3. Delete Excessive Design Standard Language from Two-Acre Rule</b></p>	<ul style="list-style-type: none"> <li>• <b>Defer.</b> 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 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.</li> </ul>
<p><b>4. Establish On-Line and Accessible Record Keeping Process for Project Tracking</b></p>	<ul style="list-style-type: none"> <li>• <b>Underway.</b> Staff has revised Project Status Notes previously prepared for Council member briefings to serve a broader customer base and to included project milestones and more specific information. Final refinement of format and troubleshooting being conducted to prepare Project Status Notes for public access via Web.</li> </ul>
<p><b>5. Application Filing Date, Dep't Processing Timeline Goal on Staff Reports, Director's Hearing Items</b></p>	<ul style="list-style-type: none"> <li>• <b>Complete.</b> Staff reports to Planning Commission and Council now include the application submittal date.</li> <li>• <b>Underway.</b> Staff is developing a standard project chronology chart that will accompany staff reports that lists project milestone dates and includes staff and applicant portions of the process.</li> <li>• <b>Complete.</b> Department Processing goals are included with every application form. They are posted on the Planning web site.</li> <li>• <b>Underway.</b> Staff is beginning the dialog with customers on the specific targets for cycle time to ensure that they match available resources and are appropriate.</li> </ul>
<p><b>6. Residential Design Guidelines Update</b></p>	<ul style="list-style-type: none"> <li>• <b>Complete.</b> Council approved the Transit Oriented Development Guidelines in September 2007.</li> <li>• <b>Defer.</b> 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.</li> </ul>

JobsNow Phase 1 Matrix with Latest Status  
January 14, 2008

Reform by Department	Proposal Status / City Comments
<p><b>7. Reduce or Eliminate Counter Time for Project Review Planners</b></p>	<ul style="list-style-type: none"> <li>• <b>Complete.</b> Staff implementing on June 11<sup>th</sup> the use of full time staff on the counters. Rotations to move the staff resources for this change are occurring and will be complete at the end of August. One consequence of this change is elimination of the ability to flexibly staff the public information counter to respond to increases in activity at the customer service center.</li> </ul>
<p><b>8. Clear Identification of Planner Leads and Project Managers</b></p>	<ul style="list-style-type: none"> <li>• <b>Underway.</b> Staff assignments will continue to change during the development review process due to staff rotations, retirements, and/or separation from the City. Staff has developed a process to ensure a smooth transition and reduce potential problems as a result of project reassignment.</li> </ul>
<p><b>9. Improve / Streamline CEQA Environmental Review Process</b></p>	<ul style="list-style-type: none"> <li>• <b>Drop.</b> 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.</li> <li>• <b>Complete.</b> Title 21, the City's Environmental Review Ordinance, was updated to be consistent with State Law by eliminating the ND and Exemption protest provisions and sending all appeals of the environmental determination to be heard by the City Council. This modification eliminates a delay of 4-6 weeks typical for projects with environmental protests.</li> <li>• <b>Underway.</b> Staff is continuing to work at the State level to modify CEQA statues to allow greater flexibility form in-fill development. The General Plan Update EIR will allow an opportunity under current CEQA law to streamline the development process if sufficient time and resources are made available to cover project level analysis.</li> </ul>
<p><b>10. Implementation of Past Improvement Recommendations`</b></p>	<ul style="list-style-type: none"> <li>• <b>Drop.</b> 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.</li> </ul>
<p><b>11. Planning Conformance Review</b></p>	<ul style="list-style-type: none"> <li>• <b>Complete.</b> 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.</li> <li>• <b>Underway.</b> Enhanced communication and coordination to resolve issues during plan check.</li> </ul>
<p><b>12. Expand Use of Combined Inspectors</b></p>	<ul style="list-style-type: none"> <li>• <b>Defer.</b> 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. Implementing this measure will require extensive training of the inspectors who would be conducting inspections. This would need to occur after the I-Codes are implemented and we are able to assist our current customers with the learning the new codes. This item also will require opening discussions with several bargaining units.</li> </ul>

JobsNow Phase 1 Matrix with Latest Status  
January 14, 2008

Reform by Department	Proposal Status / City Comments
<p><b>13. Inspector Continuity</b></p>	<ul style="list-style-type: none"> <li>• <b>Complete.</b> Staff concurs with goal. Dispatch Unit and Supervising Inspectors are scheduling the same inspector to re-inspect projects. For major projects the City is regularly able to have the same inspector conduct the necessary inspections. Staff continues to work on ways to have the same inspector consistently work smaller scale projects. Staff availability due to vacations, maintaining 24-hour response to inspection requests and balancing overall workload prevent 100%. Supervising Inspectors have assumed the role of Field Coordinators who are now the point of contact for all inspection coordination issues. Additionally, they will provide a “guaranteed second opinion” for all conflicts resulting from field inspections.</li> <li>• <b>Complete.</b> Project Inspection cards now list the Field Coordinators.</li> </ul>
<p><b>14. Allot Enough Time for Field Inspections</b></p>	<ul style="list-style-type: none"> <li>• <b>Complete.</b> Staff has implemented more flexibility for customers to ask for the amount of inspection time needed. When scheduling an inspection, the Building Phone Center schedules the amount of time requested by the customer. Note that this has made it more challenging to implement inspector continuity and maintain performance cycles as there is little ability to coordinate between projects when construction schedule necessitates the time of an inspector.</li> </ul>
<p><b>15. Approved Plan Check Documents to Prevail over Field Inspector</b></p>	<ul style="list-style-type: none"> <li>• <b>Complete.</b> A designated coordinator (Field Coordinator) for both the plan check and inspection area has been established. These field coordinators resolve field identified discrepancies.</li> <li>• <b>Defer.</b> 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.</li> </ul>
<p><b>16. Provide Written Performance Standards and Fee Schedule with Unit Pricing to all Applicants for Sub-trade Plan Check Review</b></p>	<ul style="list-style-type: none"> <li>• <b>Complete.</b> Plan check cycle times and FY 07-08 fee schedule have been published and are now posted on the Building Division webpage.</li> <li>• <b>Drop.</b> Flat rate fees were eliminated to reduce the potential for certain classes of projects to subsidize other projects. Fees are being collected based on the staff time consumed by individual projects.</li> </ul>



## Development Services Report January 14, 2008

**Goal** – World-class Development Services that help increase the City’s economic vitality by developing *integrated performance measures*, managing *data-driven and customer-focused operations*, and achieving *long-term sustainability*.

### Objectives

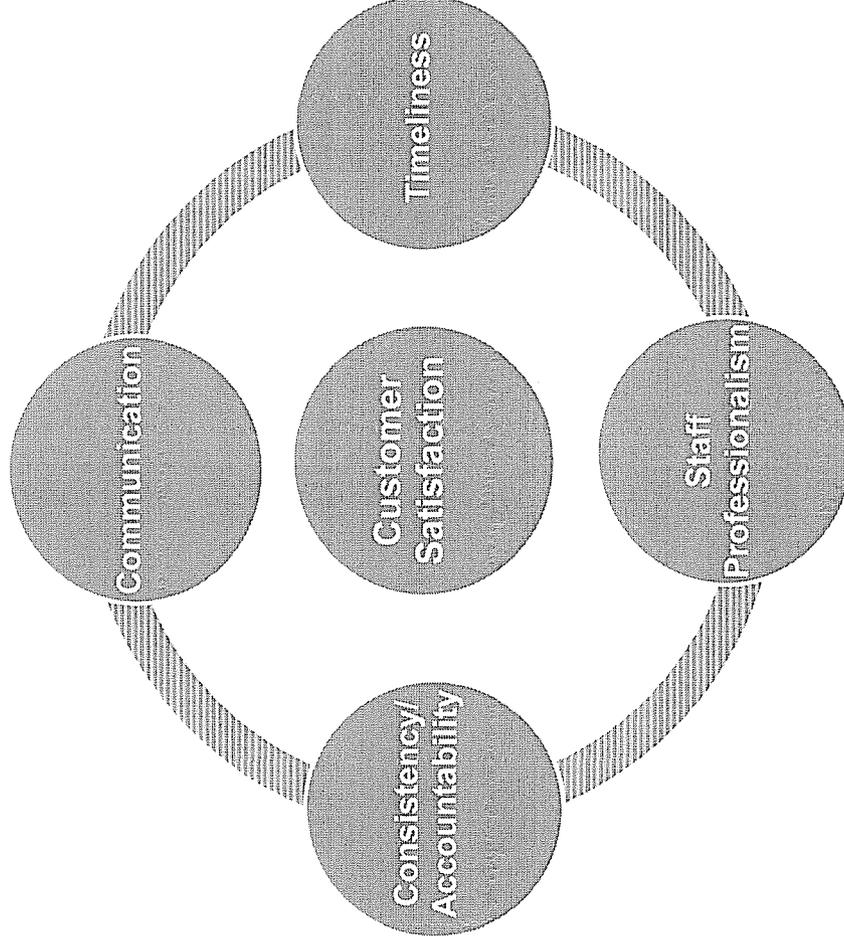
- Demonstrate measurable improvement to the permitting process
- Get the program into cost recovery
- Shape San José’s future by preparing City Council for policy decisions, emphasizing community engagement

Strategy A Developing and reporting integrated performance measures				Strategy B Managing data-driven and customer-focused operations	Strategy C Achieving long-term sustainability																												
<table border="1"> <thead> <tr> <th>High Volume Services</th> <th>FY 06-07</th> <th>Q1 07</th> <th>Q2 07</th> </tr> </thead> <tbody> <tr> <td>Planning applications</td> <td>1,986</td> <td>515</td> <td>502</td> </tr> <tr> <td>Building permits</td> <td>29,704</td> <td>7,239</td> <td>6,005</td> </tr> <tr> <td>Building inspections</td> <td>200,198</td> <td>49,631</td> <td>49,870</td> </tr> <tr> <td>Permit Center customers</td> <td>45,267</td> <td>12,173</td> <td>11,213</td> </tr> <tr> <td>Code Enforcement cases</td> <td>8,171</td> <td>1,997</td> <td>1,373</td> </tr> <tr> <td>Planning Calls Taken Live</td> <td>-</td> <td>2,051</td> <td>1,694</td> </tr> </tbody> </table> <p><b>Key Performance Measures</b> (see attached data):</p> <ol style="list-style-type: none"> <li>1. Communication</li> <li>2. Consistency/Accountability (Quality)</li> <li>3. Timeliness</li> <li>4. Staff professionalism</li> <li>5. Customer satisfaction</li> </ol>				High Volume Services	FY 06-07	Q1 07	Q2 07	Planning applications	1,986	515	502	Building permits	29,704	7,239	6,005	Building inspections	200,198	49,631	49,870	Permit Center customers	45,267	12,173	11,213	Code Enforcement cases	8,171	1,997	1,373	Planning Calls Taken Live	-	2,051	1,694	<ol style="list-style-type: none"> <li>1. <b>Cultural shift:</b> From an issue-driven to a data- and performance-driven organization</li> <li>2. <b>Customer-driven:</b> Working closely with customers to identify and implement process improvements               <ol style="list-style-type: none"> <li>a. Website updates</li> </ol> </li> <li>3. <b>Strategic process improvements:</b> To <i>streamline our processes and align services around customer needs</i>, we are accomplishing operational changes, e.g.:               <ol style="list-style-type: none"> <li>a. Early contact with customers</li> <li>b. Planners full-time at counter and taking “live” calls</li> <li>c. Accessible project tracking information</li> <li>d. Inspector continuity and adequate time for field inspections</li> <li>e. Field coordinator resolves field/plan conflicts</li> <li>f. Green Building planner</li> </ol> </li> </ol>	<p><b>Preparing for Future</b></p> <ol style="list-style-type: none"> <li>1. General Plan Update</li> <li>2. Building Code Update Implementation</li> <li>3. Sign Code Update</li> </ol> <p><b>Fiscal Stability</b></p> <ol style="list-style-type: none"> <li>1. Building revenues are low through the second quarter, resulting in hiring freezes and reducing non-personal costs.</li> </ol> <p><b>Community Quality of Life</b></p> <ol style="list-style-type: none"> <li>1. 100% of Emergency Code Enforcement complaints investigated in 24 hours.</li> </ol> <p><b>Economic Development</b></p> <ol style="list-style-type: none"> <li>1. Zoning Code Amendments to facilitate Special Tenant Improvement (STI), Industrial Tool Installation (ITI), and other commercial special programs (early 2008)</li> </ol> <p><b>Environmental Sustainability</b></p> <ol style="list-style-type: none"> <li>1. Green Building Efforts</li> </ol>
High Volume Services	FY 06-07	Q1 07	Q2 07																														
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### Attachments:

1. Development Services Performance Measures Report – 2<sup>nd</sup> Quarter 2007

# Development Services Performance Measures Report



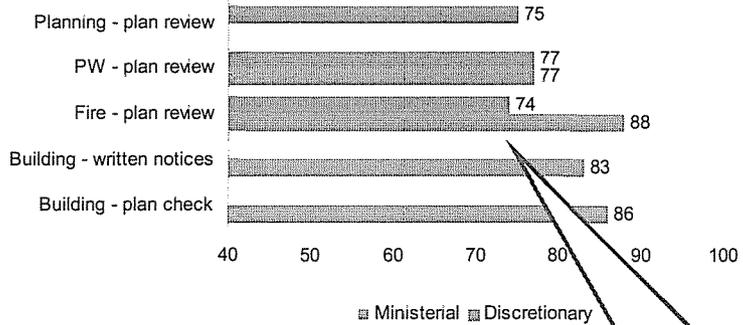
Data Reporting Period: July – December 2007

## Communication

Need to have more frequent and precise communication with customers and other staff about project requirements and status updates

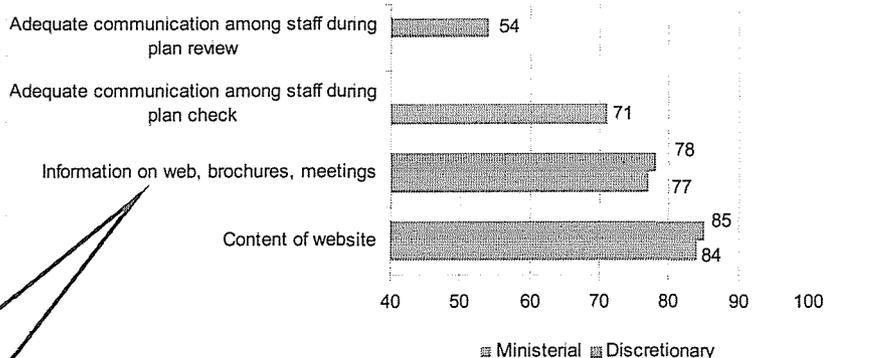
Doing well	Needs Improvement/Challenges
<ul style="list-style-type: none"> <li>Customers requiring ministerial permits (e.g., building permits) give us high marks for communication</li> <li>Customers like and use the information available on our website</li> </ul>	<ul style="list-style-type: none"> <li>Communication for discretionary projects</li> <li>Communication between staff during Plan Review</li> <li>Clarity of comments during Plan Review</li> </ul>

**% of Customers Who Agree that Comments/Corrections are Clear and Understandable**



Source: 2006 Annual Survey

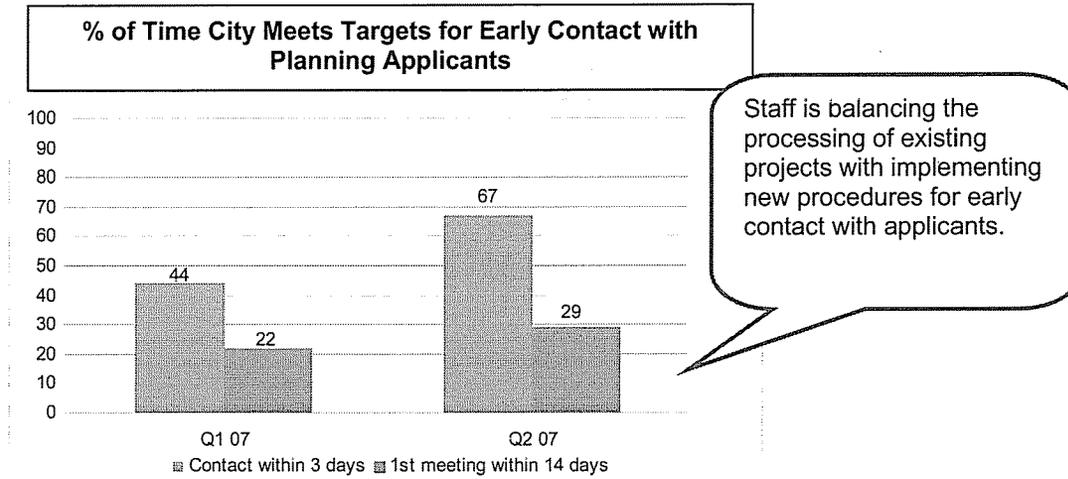
**% of Customers Who are Satisfied with the Quality of Communication**



Source: 2006 Annual Survey

While discretionary results will likely always under perform relative to ministerial, we are working to close the gap.

## Communication



In Progress/Accomplishments	Next Steps
<ul style="list-style-type: none"> <li>• Conducting mandatory <b>project hand-off meetings</b> between applicant and old and new Planning project managers</li> <li>• Developed a <b>redesign plan</b> for the new PBCE website and began Phase 1: Site Analysis</li> <li>• Continuing to create new customer- and project-focused framework for <b>website content</b></li> </ul>	<ul style="list-style-type: none"> <li>• Continue meeting with customer groups on website redesign and user requirements</li> <li>• Develop new website structure and navigation based on results from Phase 1: Site Analysis</li> <li>• Develop a “universal” permit application</li> <li>• Add additional project tracking and status functionality to on-line permits website (<a href="http://www.sjpermits.org">www.sjpermits.org</a>)</li> </ul>

## Consistency/Accountability (Quality)

Improve both internally and externally tracked consistency and accountability data (e.g., comments consistent between steps in process) which are indicators of the overall quality of our work

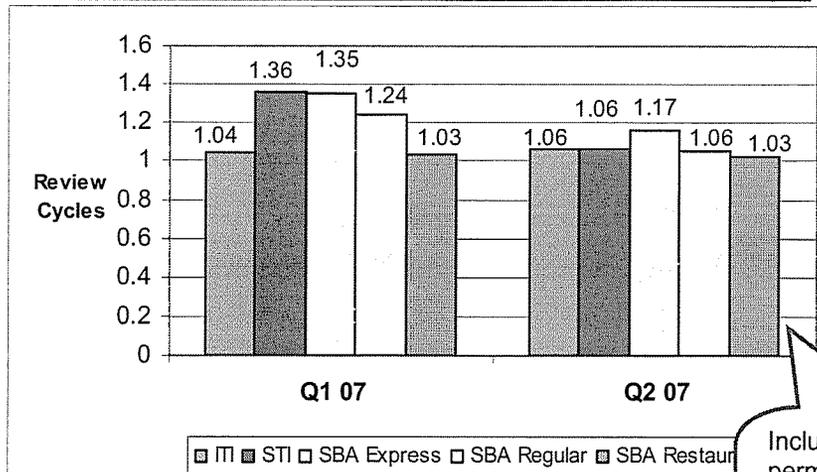
### Doing Well

- The average number of review cycles is very low:
  - Residential projects (average 1.11 cycles in Dec 07)
  - Commercial projects handled through Industrial Tool Installation (ITI), Special Tenant Improvement (STI), and Small Business Ambassador (SBA) (ranging from 1.08 to 1.21 cycles in Dec 07)

### Needs Improvement/Challenges

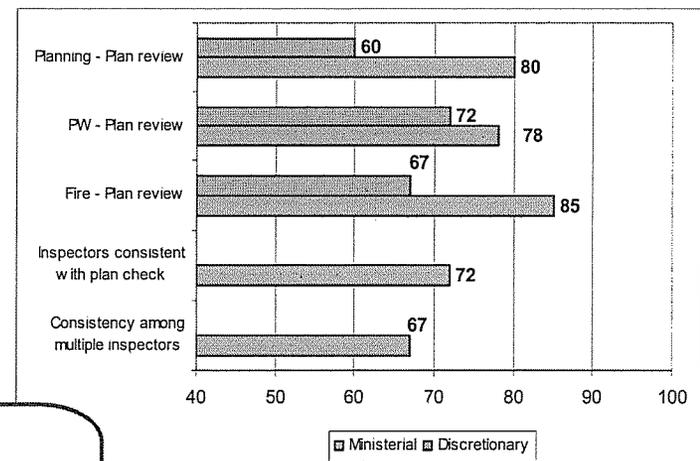
- Customer perception that we acknowledge mistakes
- Customer perception that we do our best to fix mistakes
- Consistency of comments, corrections for all projects, but particularly discretionary
- Consistency between inspection and plan check
- Coordination of comments between multiple inspectors

Average # of Review Cycles  
(Special Commercial Programs)



Source: Development Partners

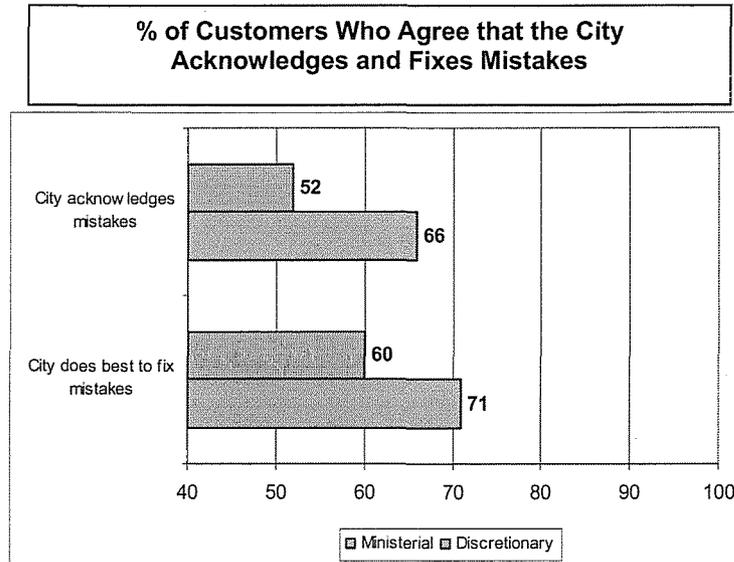
% of Customers Who Agree That  
Comments/Corrections Were Consistent



Source: 2006 Annual Survey

Includes 166 Building permits issued, over one million square feet of total space occupied, and project valuation in excess of \$70 million dollars.

## Consistency/Accountability (Quality)



Source: 2006 Annual Survey

### In Progress/Accomplishments

- Implemented **Field Coordinators** to ensure consistency and resolve conflicts (name and contact information on Permit Cards, Field Inspection Notices)
- Assigned a LEED certified staff person to **help guide green projects** through the development process
- Conducting training and outreach for the new **California Building Code** and preparing Committees, Council for new code adoption
- Developing new or refining **protocols for internal QA/QC** performance measures
- Recruiting new Fire Engineers to augment plan check and inspections

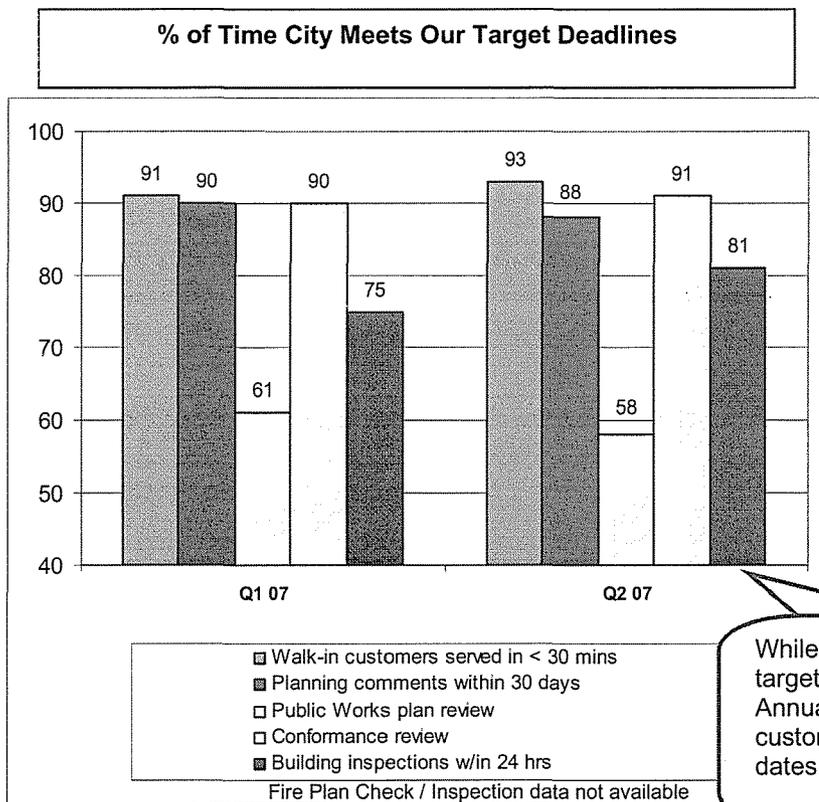
### Next Steps

- Determine adequate staffing to perform internal QA/QC
- Measure the quality of building plan check submittal against the approved planning permit (Conformance Review)
- Provide staff training on proactive problem solving

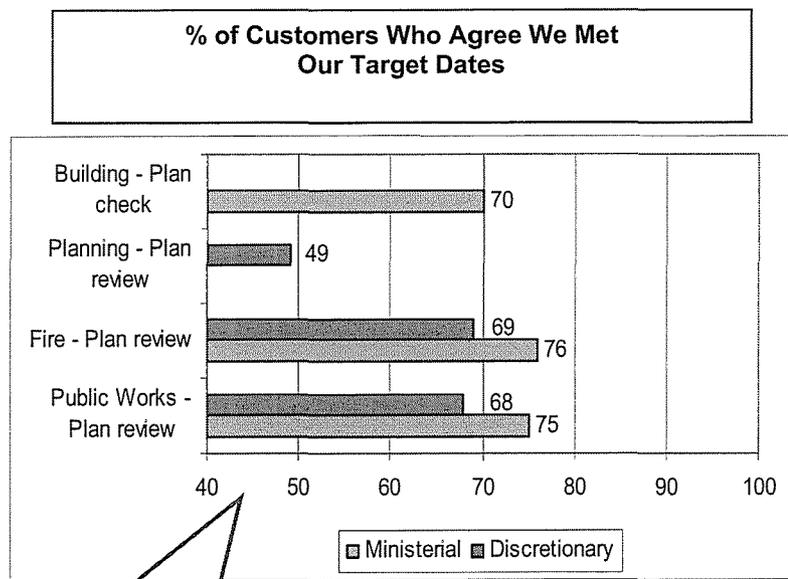
## Timeliness

Avoid delays by clarifying and simplifying the process and setting and meeting expectations for reasonable timelines

Doing Well	Needs Improvement/Challenges
<ul style="list-style-type: none"> <li>96% of walk-in customers were served in less than 30 minutes in Dec 07, consistent with FY06-07 performance</li> <li>Customers find wait times for counter service very reasonable</li> <li>Commercial projects in our special programs have very good turn around times; complex restaurants are done on average in under 2 weeks (see next page for data)</li> </ul>	<ul style="list-style-type: none"> <li>Customer perception of whether we meet processing targets, particularly for plan review</li> <li>Our ability to meet customers' expectations for our established processing targets</li> </ul>



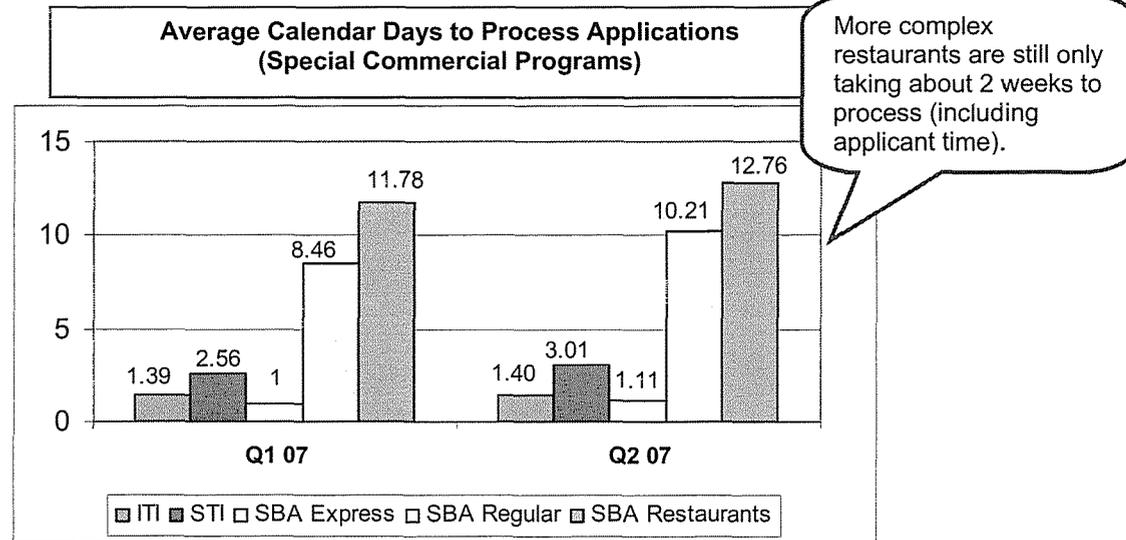
Source: Development Partners



Source: 2006 Annual Survey

While the City achieves most of its target deadlines, the upcoming Annual Survey will assess our customers' view on meeting target dates.

## Timeliness



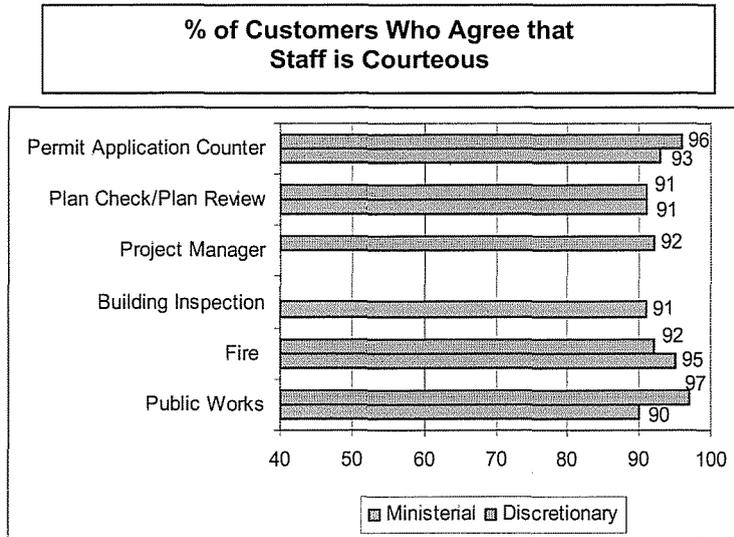
More complex restaurants are still only taking about 2 weeks to process (including applicant time).

In Progress/Accomplishments	Next Steps
<ul style="list-style-type: none"> <li>• Published <b>processing targets</b> for Planning and Building</li> <li>• Meeting Plan Conformance review targets and facilitating overall building plan check process</li> <li>• Using Building fees to <b>keep Public Works staff</b> members in the Permit Center and preserve Permit Center performance</li> </ul>	<ul style="list-style-type: none"> <li>• Finalize internal cycle time data, including historical baseline numbers for comparison                             <ul style="list-style-type: none"> <li>○ Change methodology for Public Works internal cycle time measure</li> </ul> </li> <li>• Implement a 'Project Chess Clock' to track time with City and Applicant</li> <li>• Review staff levels within PBCE, PW and Fire to ensure processing targets can be met</li> </ul>

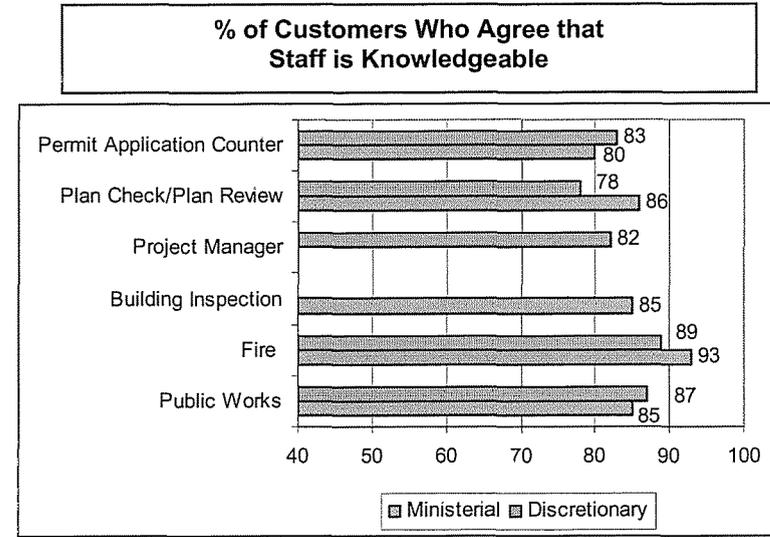
## Staff Professionalism

Build on our existing strong staff foundation to attract, retain, and develop the best employees

Doing Well	Needs Improvement/Challenges
<ul style="list-style-type: none"> <li>Customers consistently praised staff as being courteous, helpful, knowledgeable, caring, and accessible</li> <li>Customers generally gave staff high marks for making an effort to understand and being responsive to their needs</li> </ul>	<ul style="list-style-type: none"> <li>Retirements resulting in expertise leaving the organization</li> </ul>

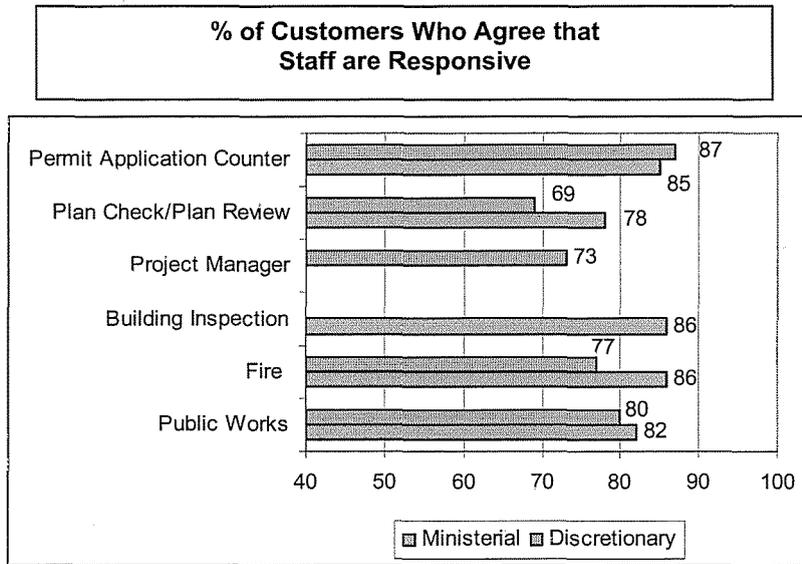


Source: 2006 Annual Survey

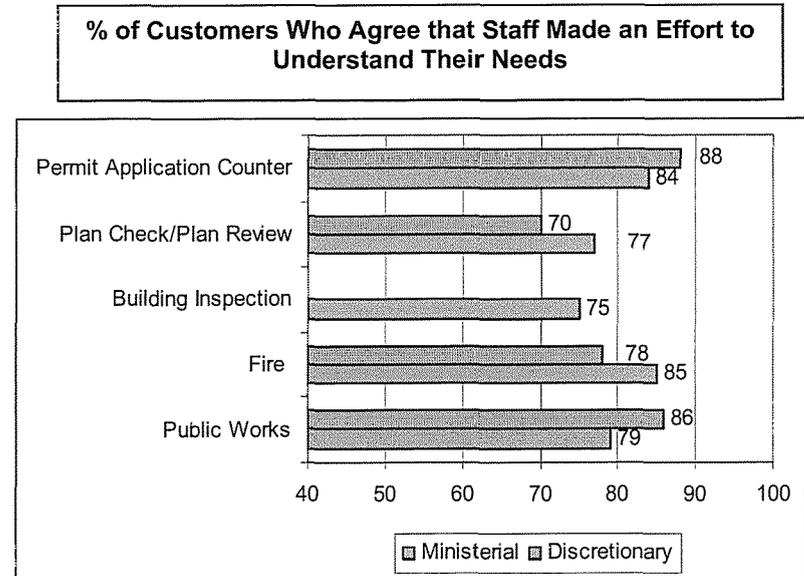


Source: 2006 Annual Survey

## Staff Professionalism



Source: 2006 Annual Survey



Source: 2006 Annual Survey

### In Progress/Accomplishments

- Established a staff work team to focus on **building our internal Green Building expertise**
- Application intake includes planning project manager at submittal whenever possible
- Time management training for PBCE supervisors in January

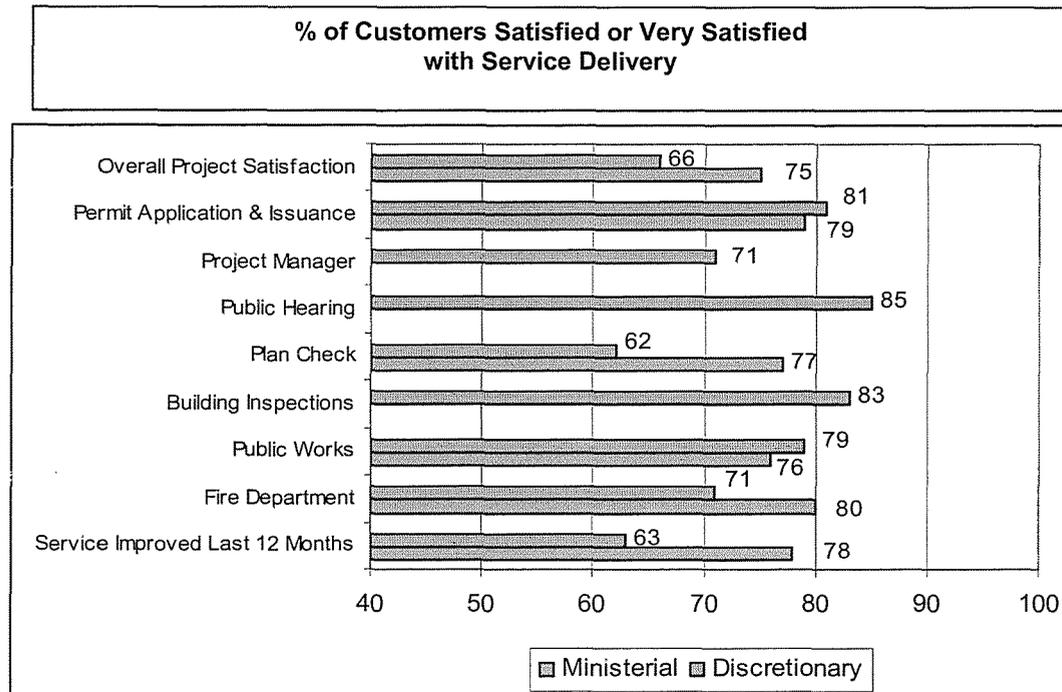
### Next Steps

- Support staff financially to become LEED-certified
- Continue training for staff and public on new building codes
- Arrange project management training for Planning project managers
- Time management training for the balance of PBCE employees

## Customer Satisfaction

To affect customer satisfaction, continue focusing on specific *processes* for improving communication, consistency, accountability, and timeliness

Doing Well	Needs Improvement/Challenges
<ul style="list-style-type: none"> <li>Hosting regular customer roundtables to listen to feedback and share information</li> <li>Baseline customer satisfaction data is good, especially considering our regulatory role</li> </ul>	<ul style="list-style-type: none"> <li>The capacity of the staff to identify issues early and react quickly to achieve resolution</li> </ul>



Source: 2006 Annual Survey

## Customer Satisfaction

In Progress/Accomplishments	Next Steps
<ul style="list-style-type: none"> <li>• Conducting 2<sup>nd</sup> Annual Survey in January 2008</li> <li>• Implemented a <b>consolidated take-one survey</b> to improve the customer's ability to provide immediate feedback consistently for all development partners               <ul style="list-style-type: none"> <li>○ Management following up on customer concerns expressed in the surveys</li> </ul> </li> <li>• Established direct communications channels with customers               <ul style="list-style-type: none"> <li>○ Periodic electronic newsletter: <b>Development News</b></li> <li>○ On-line, user-managed subscription service for newsletter and other development-related mailing lists</li> </ul> </li> <li>• Meeting every other week with development partners (Planning, Building, Public Works and Fire)</li> </ul> <p><i><b>Story:</b> In early December a planner worked with the Housing Department to research the background of a completed residential project and provide documentation of parking relief that allowed Housing to secure \$2.2 million in grant funds from the State Housing and Community Development Department.</i></p>	<ul style="list-style-type: none"> <li>• Examine staffing levels and organizational structure, especially within Public Works and Fire</li> </ul>