



Memorandum

TO: COMMUNITY & ECONOMIC
DEVELOPMENT COMMITTEE

FROM: Joseph Horwedel

SUBJECT: DEVELOPMENT SERVICES
ACTIVITIES

DATE: February 14, 2012

Approved

Date

Feb 15, 2012

COUNCIL DISTRICT: Citywide
SNI AREA: All

RECOMMENDATION

Accept report and discuss recent trends, results, and process improvements related to Development Services.

BACKGROUND

The following table outlines the 2010-2011 Fiscal Year Development Services partners (Planning, Building, Public Works, and Fire) activity, the current activity levels for the 2011-2012 Fiscal Year, and the projected service levels for all of the 2011-2012 Fiscal Year.

<u>Activity</u>	<u>FY 10-11 Totals</u>	<u>Mid Year 11-12 (through December)</u>	<u>FY 11-12 Projected Total</u>
Permit Center customers helped	>27,500	>12,500	>25,000
Planning applications	>1,800	>900	>1,800
Building permits issued	>24,000	>12,000	>24,500
Building plan reviews	>9,000	>4,900	>9,800
Building inspections conducted	>101,000	>65,500	>130,000
Public Works project plan check reviews	>600	>400	>800
Fire Sprinkler & Alarm Permits issued	>1,400	>850	>1,700

The following measures show how Development Services partners are performing at meeting their target timelines for various activities and how that compares to Fiscal Year 2010-2011 performance levels.

<u>Activity</u>	<u>FY 10-11 Achievement</u>	<u>FY 11-12 Achievement through December 2011</u>
Planning: initial response within 30 days	50%	83%
Building: plan checks within established timelines	90%	82%
Building: % of inspections within 24 hours	72%	43%
Public Works: reviews within established timelines	78%	72%

While the Fire Department performance levels are not indicated in the table above, they have experienced increases in workload coupled with staff turnover. As a result, turnaround times on Fire engineering reviews during Fiscal Year 2011-2012 have suffered.

Based partially on the above statistics, the Council reiterated their commitment to stimulating economic activity and promoting quality service delivery through their actions at the January 31, 2012 Council meeting, where development tax reductions and transportation impact fee incentives were approved, along with the addition of 21 new positions throughout the Development Services partners. In the month of December, Planning response within 30 days reached 89% and Building inspections within 24 hours reached 69%. The new positions will result in staff meeting target performance goals on a more consistent basis.

With continued challenges in meeting customer needs based on staffing levels, increased demand for services, and the City's priority to "work at the speed of business," the Development Services partners have embarked on a series of strategies to stimulate economic activity and enhance service delivery.

ANALYSIS

Removing Barriers to Job Growth

December 2011 Ordinance Changes

On December 13, 2011, the Council adopted a series of changes to the Zoning Ordinance that provide additional flexibility and a more streamlined permit process for the development and operation of industrial, commercial and residential uses within San Jose. The amendments allowed for streamlined processing or additional use considerations related to above-ground storage tanks in industrial zoning districts; small, non-residential building additions; drinking establishments in full-service hotels; vehicle rentals; temporary trailers; and parking reduction exceptions.

First Quarter 2012 Ordinance Changes

The next round of job-facilitating changes to the Zoning Ordinance will be presented to the Planning Commission on February 22 and to the Council on February 28. Continuing the theme from the December changes, the proposed Zoning Ordinance amendments would provide additional flexibility and a more streamlined permit process for the development and operation of industrial and commercial uses within San Jose. The proposed amendments would allow for streamlined processing or additional use considerations related to vehicle sales, sales of vehicle parts, hospitals, ministorage facilities, and drinking establishments associated with wineries or breweries.

Expedited Planning and Building Reviews

Fee-based, expedited services continue to be popular choices for development customers. In the calendar year 2011, Building's Special Tenant Improvement (STI), Industrial Tool Installation (ITI), and Small Business Ambassador (SBA) programs assisted nearly 250 different companies with their expedited services. This included over 60 technology companies, such as Cisco, Hitachi, IBM, Maxim, Phillips Lumileds, Polycom, Samsung, and SunPower. Appointments for express and STI/ITI/SBA expedited process lines for Building plan check have consistently been booked two to four weeks in advance.

With one part-time staff member dedicated to Planning's Coordinated Expedited Review (CER) program, approximately 30 applications have been processed through the service since its inception in late April, 2011. Businesses taking advantage of this program include Monolithic Power Systems, NextSpace, SunPower, Capitol Hyundai, and many others. Due to staffing challenges, the CER program is yet to be staffed by a full-time Planner. Management is working to fill this position to meet the customer demand for this service.

Improving Certainty and Predictability for Applicants

Standard Processing Timelines

All Development Services partners are currently reviewing and updating standard processing timelines (attached), some of which have not been updated in several years. The goal is to capture the type of project, complexity of the project, and level of review required in the updated timelines. This will give the development community more certainty with regards to timing of staff review and overall processing time. The updated timelines will also acknowledge the applicant's response to comments as a key factor in the overall schedule.

Thorough Comments with Initial Review

The Development Services partners will continue to improve on their commitment to provide thorough, complete, and consistent review comments. This encompasses all levels of review, from providing complete comments to preliminary inquiries to providing consistent responses to inspections. Staff are also now providing project schedules in the 30-day comment letters for Planning applications that acknowledge timelines for an applicant to submit revised plans in response to the comment letter, completion of environmental clearance, and a tentative hearing date.

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While staff are attentive to schedules in recognition that “time is money,” staff commitment to quality design and safety remains unwavering. The Envision San Jose 2040 General Plan sets forth a bold vision for the City’s future, and today’s projects are the first step towards achieving this vision.

Enhancing the Customer Experience

Development Services Project Manager / Expediter

The Development Services Project Manager / Expediter (DSPM) continues to coordinate interdepartmental issues, implement process and ordinance streamlining efforts, and assist key economic development customers in expediting their permitting processes. A sampling of the high-profile projects currently receiving assistance from the DSPM includes Maxim, Almaden Ranch, @ 1st, Flextronics, San Pedro Urban Market, M8trix Casino, SuperMicro, the proposed Atmel Way office development, and many others. The DSPM has also been identified as an initial point of contact for small businesses in the City, whereby these businesses are connected with individuals who can assist them with their specific needs.

Building on their strong customer service ethic, the Development Services partners will continue to pursue additional measures to enhance the customer experience. Further updates will be provided as these efforts progress.

COORDINATION

This memorandum was coordinated with the Departments of Public Works and Fire.

/s/

JOSEPH HORWEDEL, DIRECTOR
Planning, Building and Code Enforcement

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

Attachment