



To: Mr. Sean McGlynn

From: Amy Paul, Dan Marks and Jerry Newfarmer

Subject: Observations and Recommendations

Date: June 19, 2015

Introduction

Management Partners was retained by the City of Santa Rosa to conduct a review of the organization and operations of the Community Development Department. This memorandum contains observations about the organizational structure, staffing, and how services are being delivered and recommendations about opportunities for improvement.

We conducted individual interviews with staff members in the department to hear their thoughts about what is working well and what could be improved. We also interviewed staff from other departments (Public Works, Fire, and Water) that interact regularly with the Community Development Department. It was important to hear the perspectives about communication, work flow and customer service (both internal and external) from all staff involved in development review.

We also interviewed 20 customers and community members to hear their perceptions about the department's services. We reviewed background information about the City's procedures and prepared process maps for three typical projects to identify opportunities for increased efficiency and reduced timelines for the development services the City delivers. The observations and recommendations in this memorandum are based on these activities and our own experience and knowledge of industry best practices.

The development review process is a highly visible and complex function. The time sensitivity of costs for residential and commercial developments demands a process that is expeditious, consistent and transparent. It is important that the right balance be found between the City's business processes and capacity to operate the function and the users' perceptions that they are well-served by the City. The goal of this analysis was to assess what the city can do to improve how it is balancing these demands.

Efforts by the Community Development Department to improve timeliness and customer service have been constrained by the significant reductions in staff from which Santa Rosa (similar to many cities) has not yet recovered. Technology upgrades are planned that will aid in this mission, including an imminent upgrade to the project tracking software that will allow for

greater efficiency, transparency and accountability. While there are many positive aspects of the department, this report addresses our assignment to concentrate on the opportunities for improvement.

This document is divided into the following sections:

- Setting the Context
- Observations and Recommendations
 - Department Culture
 - Customer Service
 - Planning
 - Building
 - Relationship with other Divisions and Departments
 - Technology
 - Department Organization
- Miscellaneous Observations
- Conclusion

Setting the Context

The City of Santa Rosa has, along with almost every community in California, suffered through a period of change as budgetary limitations have forced significant reductions in staff.

Workload in the Community Development Department fell as Santa Rosa, along with most cities in the country, saw a precipitous drop in the level of development activity from 2007 to 2009, as Table 1 shows. While development activity has picked up some since the low in 2009, the value of new development in 2014 is still half that in 2007.

Table 1. Community Development Building Permit Trends

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Commercial Permits	895	877	2017	731	612	657	720	703	702	726
Residential Permits	4,712	4,414	2,840	3,194	2,916	3,271	3,502	3,485	4,030	4,048
Total Permits Issued	5,607	5,291	4,857	3,925	3,528	3,928	4,222	4,188	4,732	4,774

In spite of the fact that the value of development has remained low, as Table 2 shows, the actual number of permits has not dropped as much. This implies that a large number of relatively low-value permits have been issued in the past few years relative to the 2005-07 period. As a result, customer service activity in the department has not diminished as much as the revenue.

Table 2. Valuation and Building Revenues (in \$ millions)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Valuation	\$317.7	\$268.3	\$254.2	\$142.7	\$74.9	\$109.5	\$125.5	\$133.8	\$156.5	\$131.6
Building Revenue	\$3.3	\$3.6	\$2.6	\$1.6	\$1.4	\$1.8	\$1.9	\$2.0	\$2.4	\$2.3

Planning applications are another element of overall activity in the department and between 2004 and 2014, the number of new planning applications dropped from 1,443 in 2004, to a low of



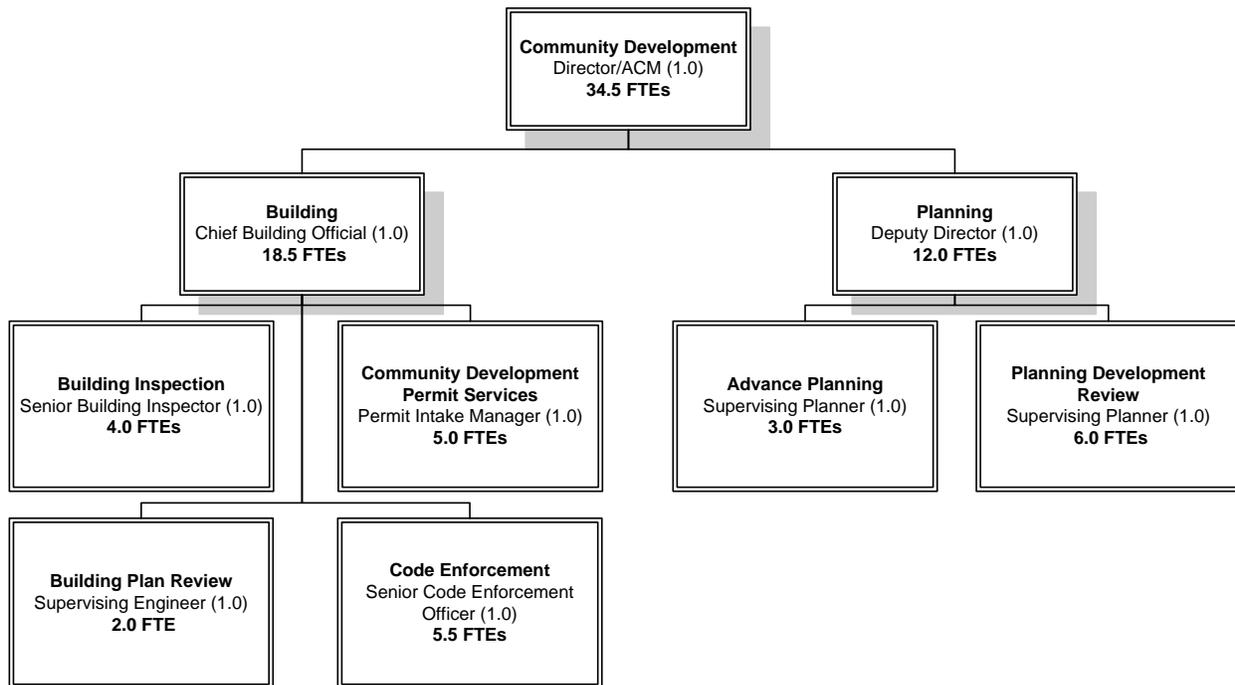
467 in 2012. As the economy has slowly recovered, applications have begun to increase, rising by roughly 25% to 589 in 2014 from the low in 2012. There are strong indications that the upward trend is continuing in 2015. Many projects that were put on-hold during the recession are returning and applicants are often seeking modifications to previous entitlements or permits to begin construction.

Based on past economic cycles a relatively high level of development activity is likely to continue for the next several years. As development activity increases, there is a need for the City to be as efficient as possible in providing services. Monitoring development activity will be important. It may be necessary to add resources to ensure a high level of customer service and sustain an increasing level of economic activity in the City. However, given the wide variability in development activity in Santa Rosa, another challenge is to add resources in a manner that doesn't commit the City to staffing levels that are not financially sustainable when development activity decreases.

Department Structure

Figure 1 shows the organization structure of the Community Development Department as of November 2014, several months before this study began.

Figure 1. Organization Structure as of November 2014



In Management Partners' experience, the general structure of the organization is typical for Community Development Departments with an Advance Planning Section, a Current Planning Section, a Building Division, and a Code Enforcement Section. Administrative functions can be either decentralized within the sections or centralized; either model can work well.



Management Partners compared staffing levels between 2008 (before the recession) and staffing levels as of November 2014. There have been some changes in department structure, including the relocation of Engineering Development Services into the Public Works Department, and the relocation of the Advance Planning group from the City Manager's Office to the Community Development Department. There have also been some minor changes in titles from one chart to the other, but generally the numbers of staff in the Building and Planning Divisions are reasonably comparable. Between 2008 and 2014 the Planning Division (both current and advance) went from 19 staff to 12, and the Building Division (plan check, inspection and counter, not including code enforcement) went from 27 to 13. Of particular note is the reduction of plan check staff: there were seven individuals in 2008 and only two in 2014. Administrative staff (director and related staff) was reduced from five to four individuals. The staff reductions obviously have an impact on customer service.

Observations and Recommendations

Department Culture

It is challenging to draw too many conclusions or make recommendations about a department's culture based on several interviews. This is especially true after a long period of cutbacks when staff is feeling overwhelmed by workload demands, is struggling to meet customer needs, and there have been changes in some leadership positions. However, we felt it is important to note some of the comments we heard from staff and many customers that suggest opportunities for improvement.

- Staff does not sufficiently appreciate that time is money and how much delays can affect a project. Overall, customers expressed that some staff are looking for ways to delay projects and say "no," rather than helping customers to successful outcomes.
- Staff does not facilitate solutions to issues, and especially when the issues are inter-departmental. There is no single person responsible for helping the customer get to a successful outcome; the customer is responsible for tracking the project's progress and for addressing interdepartmental issues as they arise.
- A comment made by several stakeholders, and some staff, is that Community Development Department staff members seem highly risk-averse and some staff members have a hard time making creative recommendations to solve applicants' problems. Repeatedly we hear that that staff react rather than "facilitate" (i.e., they do not help applicants get through the process as efficiently as possible while meeting both the applicant's and the City's objectives). Some staff commented that the reluctance to make decisions results from an environment where there is a very low tolerance for mistakes and risk-taking to assist customers is discouraged. As one staff person noted "messing up is a very big deal". This environment results in too many decisions being deferred to higher level staff, thereby delaying the process.



- Building Division is the “step child of the department.” Many staff in the Building Division mentioned that people outside their division did not seem to know or respect what Building does. Building staff believe that their division suffered greater cuts than other divisions during the recession and has been slower to recover. As noted above, the reduction in plan check staff from seven to two has almost certainly contributed to longer turnaround times. As also noted earlier, while revenue is down, the number of building permit applications has remained relatively high, implying an ongoing need for a large number of building inspections.
- Many line staff members believe decisions are being made that affect them by management staff but are not being effectively communicated to the line staff. This results from poor top-down communication.
- Some customers indicated that staff’s decisions seem arbitrary. Staff members need to better communicate the vision of the community and the policies that are the basis for reviewing projects so that City expectations are better understood by the development community and other businesses.

Customer Service

Staff members we interviewed were clearly committed to the City of Santa Rosa and to providing a high level of customer service. Most customers interviewed gave most staff high marks for responsiveness, professionalism, for creating a friendly environment at the counter, and for having a desire to be helpful. However, we also often heard the comment that while the staff was trying hard, they are working in a dysfunctional environment and that despite their best efforts, overall service is poor.

It is critical for any business to get feedback from its customers about the quality of the service it is providing. However, most developers and contractors who regularly do business with the City feel it is important to maintain as good a relationship with staff as possible, and may be reticent to share concerns or identify shortcomings. While getting frank feedback may be challenging, it is important to try. There are several forms this can take, including a regular phone survey by an outside party and surveys made available to every customer.

If after-service surveys are used, it is important to ensure all customers receive one (not just having it available at the counter), that the survey is brief and easy to complete, and leaves sufficient room for customers to write their thoughts. Having multiple ways that the survey can be returned (e.g., a box at the counter, return-mail envelopes, and online) can help to increase response rates.

Specific recommendations from stakeholder interviews included establishing an advisory committee from the development community similar to the Director’s Advisory Group in the Sonoma County, and having an outside party periodically do more in-depth interviews of a sample of customers.



Recommendation 1. Develop a schedule and a process for consistently soliciting customer input on the quality and effectiveness of the department's services.

One of the key places where the community interacts with the City is the public service counter. Community judgments about the effectiveness of a particular department and of the city as a whole are often made based on the quality of service received at a counter. The City of Santa Rosa recognizes the importance of counter service and is in the process of establishing a Customer Service Hub where many of the services provided by the City can be centralized. The Hub is likely to fundamentally change current procedures, but implementing the Hub will take some time. In the meantime, it is important to consider the existing counter service and how it may be improved.

A typical measure of customer service is how long people must wait to get service. Santa Rosa counter staff have recorded customer wait time and prepared monthly reports in relation to the department-established goal that 80% of customers will be seen within 15 minutes.

Management Partners' team members reviewed the data for one month (March) between 2008 and 2014 as shown in Table 3. Prior to 2010, the goal had been to see customers in less than 10 minutes and the City met that goal. In 2010 the goal changed to seeing 80% of counter customers within 15 minutes and in March of 2010, the City met that goal. After that, the City's performance declined. By 2014 only 55% of customers were seen within 15 minutes and the percent waiting more than 20 minutes increased to 33%.

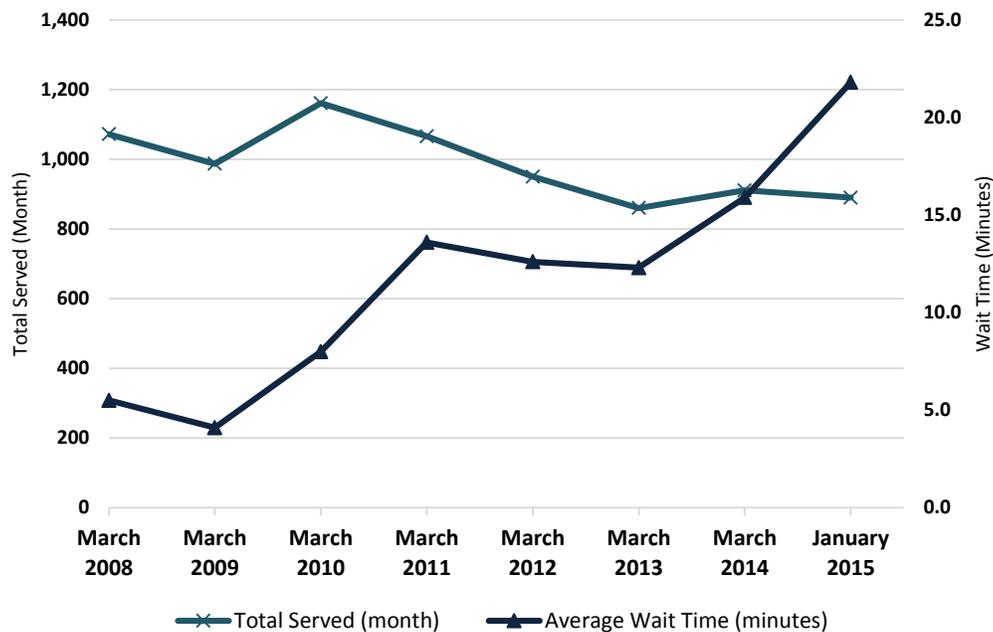
Table 3. Santa Rosa Counter Wait Time for March 2008 to March 2014 and January 2015

	Less than 10 minutes	Less than 15 minutes	More than 20 minutes	Average Wait Time (minutes)	Total Served (month)
March 2008	84%	n/a	n/a	5.5	1,072
March 2009	86%	n/a	n/a	4.1	987
March 2010	n/a	81%	n/a	8.0	1,161
March 2011	n/a	63%	n/a	13.6	1,066
March 2012	n/a	67%	25%	12.6	950
March 2013	n/a	66%	23%	12.3	860
March 2014	n/a	55%	33%	15.9	911
January 2015	n/a	28%	44%	21.8	890

**Began measuring in 2012*



Figure 2. Santa Rosa Counter Wait Time and Total Served for March 2008 to March 2014 and January 2015



In January 2015 (last full month available), less than 50% of customers were seen within 15 minutes and 44% were seen in more than 20 minutes. There is no information on the maximum wait time for any customers. This degradation in customer service coincides to some degree with a reduction in hours that the counter is open to the public. In early 2010 counter hours changed from being from 36 hours a week to only 20 hours per week, an unusual and incredibly low level of service.

Although the City has not met its wait time objectives for several years we did not hear a clear plan for how the department intends to address the situation in the short-term before the Hub is open. Several staff and stakeholders suggested it is important to have the counter available for additional hours. This would assist in meeting the objective (by spreading the number of hours customers are seen), and would better meet the overall needs of customers. Management Partners did not evaluate the workload of the counter technicians or whether additional staff may be needed to accommodate that workload and also expand counter hours. However, the current long wait times and very limited counter hours are not providing an acceptable level of customer service.

Recommendation 2. Expand the number of hours the counter is open to the public.

Recommendation 3. Reestablish the objective of seeing 80% of customers within 10 minutes. Implementing these recommendations may require additional staff capacity.



In addition to an objective to provide service to the vast majority of customers within a reasonable time (10 to 15 minutes), the City should also establish a maximum wait time objective, as very long wait times are exceptionally frustrating to customers. A plan should be developed for how counter staff can address the times when the counter becomes very busy and wait times begin to move into an unacceptable range.

One way to address peak demand times is to have other personnel (planners and plan checkers) available to assist at the counter when wait times become excessive. At this time, there is an assigned “planner of the day” (POD) who is available for on-call service when counter technicians need additional expertise to respond to a zoning question. The POD is only available during the morning (according to some staff) and only to address complex issues, not to act as back-up when the counter is exceptionally busy.

On-call assistance is challenging for staff who must leave other work (thereby impacting turnaround times for other customers) to attend the counter, and is inefficient because the amount of time lost to other work is always significantly greater than the time actually spent assisting at the counter. Despite the inefficiencies of an on-call system, in our view, meeting the needs of the public waiting for service is a critically important function of the department and must be effectively addressed. Putting customer service first should preempt other considerations.

Another way to spread the service demand at the counter is to establish appointment times. This can be done on-the-spot as wait times at the counter start to become excessive. A time-certain appointment can be offered to customers who may leave and return.

Recommendation 4. Establish a maximum wait time objective and a plan for dealing with customers when wait times approach that limit.

The department already tracks the number of daily customers it sees at the counter. In addition to tracking overall numbers of customers, it is a good practice to track the number of customers by the hour of the day to see patterns when customer wait times are particularly long.

One typical element of a service center is someone who greets arriving customers and directs them to where they need to go. Management Partners noted that while Community Development Department counter staff were generally alert to arriving customers and tried to assist, there was no person assigned the job of reception, and some customers were not sure what to do when entering the customer service area. As noted earlier, the counter is one of the places where people gain much of their impression of city government, and ensuring that customers feel welcomed and are provided some initial direction is essential. Despite the short-staffed nature of the counter and the long wait times, it is critically important that someone is assigned to reception.



Recommendation 5. Assign a staff person the job of counter reception to greet customers, make sure they are in the right place, assist them with signing in, and generally making them feel welcome. This person could also monitor wait times, and alert the counter manager when they are approaching maximum wait time goals (see earlier recommendation regarding maximum wait times).

A common customer comment is that the Community Development Department is not doing an effective job communicating with the public about the planning and building process. As a result, some customers seem frustrated with the department, calling it “bureaucratic,” “rigid,” “not helpful,” and similar sentiments. One stakeholder noted a perception by some in the community that the department is all about making money for the City by having longer and more complicated development review processes than necessary.

If department customers were more familiar with the challenges in the development review and approval process it might help address some of customer frustration, or at least make customers more aware of the issues they may face during the review of their project. Other cities have found that workshops for customers that present and discuss changes in laws and review procedures provide an opportunity for staff to field questions and mitigate concerns. Similarly, regular outreach to business groups and real estate organizations can keep the community informed about current development activity and changes in regulations. The Chamber of Commerce President suggested he would support the Community Development Department partnering with the Chamber of Commerce for outreach to the development community by providing training to Chamber staff so they can better help the business community to understand the permitting process.

Recommendation 6. Conduct regular (at least twice yearly) workshops for customers (architects, contractors, developers, real estate professionals) to discuss changes in the permitting process, listen to concerns, and introduce new staff. Reach out to business and real estate organizations to attend and speak at their meetings. Work with Economic Development staff to improve ties to those organizations.

The department’s webpage could be a much more effective tool. A superficial review of it identified non-functioning links and outdated information. The website should be a resource that is easy to use. When it has information that is well-organized and up to date, customers can use it instead of calling staff. It is standard practice in most cities (and an expectation of most customers) that information available to applicants be accessible through the internet.

Implementation of the new Accela permit tracking system will be a step toward making it a more useful tool. For example, customers should be able to track their projects online through the approval process. However, other improvements should also be implemented and the site regularly updated and tested. Permit applications could be filled out online.



While there are numerous good examples of community development websites, the following three websites illustrate best practices for their clean design, comprehensiveness of information and ease of use and are representative of what Santa Rosa should strive to achieve in its web interface. The ability of applicants and the public to easily locate information, forms, and materials about all aspects of the development processes by way of the internet is no longer just desirable; it is a necessary part of doing business in an information-rich environment. Forms that can be completed online are particularly useful to applicants, especially those who might need to complete them in the field or at a development site.

- City of Mountain View, California
<http://mountainview.gov/depts/comdev/planning/developmentrev/default.asp>
- City of Aurora, Colorado
<https://www.auroragov.org/DoingBusiness/CityPlanning/index.htm>
- City of Charlotte, North Carolina
<http://charmeck.org/Development/Pages/default.aspx>

Recommendation 7. Modernize the Planning and Community Development webpage to provide current information, consistent with best practices.

Information should be arranged in multiple formats (e.g., by application type, division, type of use/permit needed, etc.). Once redesigned, assign a staff member to be responsible to maintain it.

Recommendation 8. Add capabilities to the department's webpage to allow applicants to electronically complete and return forms and applications and pay fees.

A best practice found in many cities is a "one-stop shop" where all the development services can be accessed at a single location, including Planning, Building, Engineering/Public Works and Fire. Santa Rosa is in the process of establishing a Customer Service Hub where many of its customer service functions will be centralized. Whether this service center can be a "one-stop" permit center is not yet clear, given space limitations.

Planning

Current Planning (Entitlement)

Since 2010, based on the City's Aggressive Economic Development (AED) strategy, the Community Development Department has made significant modifications to its zoning ordinance to allow for the lowest possible level of discretionary review. This was meant to increase the number of applications that can be processed administratively or with minimum staff effort, and reduce the timeframes for approving many types of applications. This is a significant customer service improvement and a "best practice" being considered or implemented by many other Bay Area jurisdictions.



State law (Permit Streamlining Act or PSA) requires that jurisdictions determine within 30 days of submittal whether an application is “complete.” Applications are deemed complete when all submittal requirements are met. To make a determination whether an application is complete, all relevant staff must review the materials submitted within the 30 days allowed, and decide whether required information is missing or inadequate.

Many cities issue a letter during the 30-day period indicating whether an application is complete. If it is not, the letter specifically indicates what is required to make the application complete. City of Santa Rosa staff indicated they are not fully in conformance with the PSA and do not make full determinations within 30 days as to whether an application is complete.

Recommendation 9. Review and modify existing procedures to ensure the City is consistently in conformance with the Permit Streamlining Act requirement that applications be deemed complete or incomplete within 30 days of submittal.

Santa Rosa has established objectives for turnaround and/or action on an entitlement application, based on the type of application submitted. Staff prepares an annual report on the total number of entitlement applications processed, but does not track performance to determine whether objectives for action on an application are being met

Meeting any timing objective for processing applications implies the need for someone to take full responsibility for meeting those objectives. With regard to entitlements, in most cities the project planner is expected to also be the project manager. A project manager is responsible for ensuring that all reviewing departments act in a timely manner, address entitlement issues as they arise, identify conflicts between departments, and generally facilitate the application review and approval process.

Many of the department’s customers see the entitlement process as an obstacle course they must navigate on their own, and indicated the default answer from the City for too many projects is “no” rather than “here is how we help you get to yes.” While most planners in Santa Rosa seem to understand and accept the role of project manager/facilitator most of the time, it is not clear that they are empowered to act in that role.

In preparing process maps, Management Partners noted that the lead City person seems to shift back and forth between the planner and someone in Engineering Development Services, depending on the issue and the process. The process maps also seemed to indicate several points in the process where information is being relayed to the applicant directly from a division or department without the project planner being in the loop. This is a recipe for inconsistency, miscommunication, and delay.



Recommendation 10. Designate a project planner to serve as the project manager for each application during the entitlement process, with responsibility to assist the applicant and be the main point of contact for the applicant. The project manager should be copied on all communications to the applicant from all divisions and departments.

Santa Rosa's entitlement objectives range from 30 days for action on an administrative permit to a year for action on projects requiring an Environmental Impact Report (EIR). A turnaround objective for more predictable and simple entitlement projects (approved administratively) or a minor permit (approved by the zoning administrator) is a best practice. As noted above, these objectives are not monitored.

The Accela permit system upgrade will make it easier to monitor these objectives; however, in our view, monitoring should begin as soon as possible in whatever ad hoc manner can be developed by staff. Until effective mechanisms, metrics and policies are in place that document and monitor performance, accountability will not be possible and opportunities for innovation and efficiency will lag.

Recommendation 11. Immediately establish a process to monitor performance in achieving turnaround objectives for simple applications. Even if this process is ad hoc, it is so important to do that it not be delayed while a more sophisticated process is adopted and implemented.

Recommendation 12. Review the existing turnaround objective for less complex applications and modify as necessary to reflect a reasonable and achievable objective. Monitor performance to identify whether the objectives are being met.

For more complex projects, having objectives for action on an application (currently in place but not being monitored) establishes a public expectation for how long the process will take, whether it is three months for action by one of Santa Rosa's Commissions or Boards, or one year for projects involving an EIR. It is, of course, important to give applicants a rough timeline for how long a "typical" complex application should take. However, there are very few "typical" complex projects, and the City does not necessarily control the timeframe.

Complex applications almost always involve a great deal of give and take between staff and the applicant. Environmental studies can require weeks or months and turnaround time is often dependent on the applicant or consultants to the applicant. For more complex applications, rather than establishing an overall objective for when action will occur, we recommend that jurisdictions establish a turnaround objective for how long it takes for staff to get back to applicants with comments on each new submittal.



We also recommend that the project developer and/or property owner (who may not be the applicant) be kept informed about how the application is proceeding by being copied on relevant communications between the City and the applicant or the applicant's consultant(s). Doing so allows the applicant to know when it is their consultant that may be responsible for a delay in the entitlement process. We do not recommend having a specific turnaround objective for action on complex projects because it creates expectations that staff members do not control and will often not be able to meet.

Recommendation 13. Establish a process to track and monitor turnaround times for the City's response (all departments and divisions) to any new submittal for a complex application.

Recommendation 14. Establish a process to copy the property owner and/or developer (if not the applicant) on relevant communications between the City and the applicant or the applicant's consultant.

Recommendation 15. Establish a process to monitor and report response time and information about timelines to management on a regular basis.

The City does not have a formal pre-application process where applicants can submit an application and pay a fee for in-depth review of a preliminary plan or concept prior to formal application. In Santa Rosa, as in most cities, the first pre-application meeting between staff and a prospective applicant is free. The City has objectives for the length of time after a request is made that pre-application meeting is held; however, conformance with these objectives is not tracked.

Such introductory meetings tend to be highly informal and can be very helpful. However, they are often not satisfying to a prospective applicant who is considering investing many thousands of dollars in an application submittal because they often want a more in-depth assessment of issues and guidance from staff before making that investment. Most cities have a formal pre-application process where an applicant submits some initial information about a project and receives a formal response, including something from each affected department.

Recommendation 16. Establish a pre-application review process and fee and ensure all departments expected to be involved in the project are part of the pre-application review process.

Entitlement applications are typically reviewed by other departments, especially Public Works. Within Public Works, the Engineering Development Services (EDS) Division is divided into two groups: one group does entitlement review and the other reviews building permits (addressed in the Building section of this report). EDS reviews a project and decides whether it should be referred to other Public Works divisions, such as transportation or utilities. There does not seem to be clear "triggers" for when the Transportation Division, the



Water Division, or others review a project. Planners report they do not always receive timely feedback from other Public Works divisions, and work around the EDS staff and go directly to transportation staff and other Public Works divisions to get information and comments. EDS staff is intended to be the gatekeeper for the Public Works Division. This role is causing some friction between the two departments.

The interview with EDS staff indicated they were unclear as to the determination of whether a project was “complete” under the Permit Streamlining Act. EDS does not currently make a completeness determination within the PSA deadlines but prepares a more comprehensive review and assessment of completeness under its own schedule.

Planning staff noted that EDS staff often include within their standard conditions of approval for major entitlement applications conditions that are generally within the purview of other divisions and departments. This has required Planning staff to consistently modify, edit or change those conditions as they assemble the final set of conditions, requiring additional work for them and leading to potential internal inconsistencies in the final set of conditions. Other divisions in Public Works do not necessarily review conditions of approval recommended by EDS and may not see them until very late in the process. Some staff complained about new “last minute” conditions or changes to conditions on projects from EDS and other divisions and departments.

While planners and EDS engineers indicated they generally have a good working relationship, these sources of friction are leading to extra work and tension between the two departments and must be addressed. Other recommendations in this report regarding the building plan check process indicate further inefficiencies. Some of the recommendations, if implemented, would require significant changes in the relationship between the two departments. The process mapping and GE Work-Out being done as part of Management Partners’ work are opportunities to begin to more clearly set forth and resolve these inter-departmental issues and responsibilities. However, the fact that the friction and inefficiencies (many identified by staff in both departments) have not been resolved already is evidence of a deeper problem between the two departments.

While Management Partners mapping and implementation work will begin the process of addressing these issues, it is unlikely to resolve them. Ongoing efforts at the highest levels will be needed to ensure that changes occur to improve communication, cooperation and efficiency. As these issues arise, there should be a regular opportunity to air disagreements and a clear process established to resolve them.

Recommendation 17. Use the Work Out to dissect the entitlement review process, identify the purview of each division and department, and discuss how conflicts should be resolved when there are disagreements.



A best practice found in many cities is for staff to hold a regular “roundtable” discussion with departments having a role in the development review process at the beginning of a complex entitlement application. An early roundtable process allows everyone to provide some initial feedback and flag key issues for the applicant early in the process. It also gives the planner/project manager for the city a preview of the issues that will need to be addressed through the remainder of the process. In some cities the applicant is invited to the meeting to hear the concerns directly, while in others the meeting is closed to the applicant and the planner is responsible for relaying comments.

Santa Rosa currently holds a roundtable meeting (referred to as the Application Review Team (ART) for proposed subdivisions, but not until 45 to 60 days after the project has been submitted. These meetings are held with the applicant present, and staff indicated that most developers appreciated the opportunity to hear their concerns. The ART process is a good start, but it is occurring too late in the process, and is only done for one type of project, not all complex projects. Staff indicated that at some point in the past, such meetings were held (Zoning Administrator Review Committee - ZARC), but during the downturn, the process was discontinued and, similar to the ART process, occurred too late in the review process.

Recommendation 18. Establish an interdepartmental review process for early review of significant projects. Ensure these meetings are effectively and efficiently facilitated and document the comments and outcomes of these meetings (preferably in Accela) and to the applicant.

Planners are expected to apply regulations and ensure that an application is processed in a timely and effective manner. Even when a project is consistent with the economic priorities of the City, Planning staff (and later, Building staff) must apply regulations in an objective and consistent manner. Economic Development staff members are expected to promote the City’s economic development objectives.

In some cities, the Economic Development staff act as internal ombudsman: sensitive internal advocates and intermediaries between the city and business people who are very often not familiar or comfortable with the development review process. During stakeholder interviews, Management Partners heard that Economic Development staff were, on occasion, acting to assist businesses during the development review process, but it tended to be reactive. There did not seem to be a proactive effort by either Economic Development staff or Community Development staff to ensure that they were engaged for critical economic development priorities. For Economic Development staff to undertake the role of ombudsman, they must understand the development review process and recognize the limitations regulatory staff face in addressing any particular application. While Economic Development staff must be respectful of the regulatory process, they can facilitate communication and help to ensure projects don’t get stuck.



Recommendation 19. Refer business development customers to Economic Development staff; especially any project involving the economic development priorities of the City. Economic Development staff should regularly update CD staff on economic development priorities.

Recommendation 20. Train Economic Development staff about the entitlement and permitting processes.

Planning staff noted that for those entitlement projects requiring reviews by multiple boards/commissions, that the procedures are highly inefficient for the applicant. While Santa Rosa has done a good job reducing the number of projects subject to commission/board review (by reducing the number of decisions required to go to a commission/board), the remaining projects subject to commission/board review will invariably be some of the larger, more complex and important projects. When these projects come before the public review body, it is critical that each body have a clear understanding of its purview and of who has final authority. In Santa Rosa, according to staff and stakeholders, the relationship between the Design Review Board, the Planning Commission, and the Cultural Heritage Board is not always clear, with the actions of one public body affecting the other body, potentially requiring multiple meetings to resolve. While this problem may not occur often, it can affect the reputation of the city within the development community and discourage economic development.

Recommendation 21. Analyze the responsibilities and procedures for project review by commissions and boards and adopt changes required to clarify them. If existing ordinances prevent an efficient and clear process, propose modifications to the ordinance.

Building

Plan Check Turnaround

The Building Division has established objectives for turnaround for plan check that vary by project complexity and focus on approving as many projects over the counter (OTC) as possible. This is a best practice.

However, while the Building Division has established these targets for itself and annually evaluates its performance in relation to these objectives, those targets only apply to the Building Division's review, and not the overall time for plan check by all responsible agencies. In terms of the quality of the City's customer service, that goes only partway. Many types of applications involve plan check by multiple City divisions and departments and the time they take for their part of the review is part of the City's customer service. It is important for the overall performance to be measured and not just the performance of one division.

Recommendation 22. Establish joint plan check turnaround times and a process to monitor total City plan check performance for reviewing plans.



Even so, the annual assessment reports prepared by the Building Division show it is not meeting its objectives. In 2007, before the Great Recession, the City was meeting its plan check turnaround objective more than 80%percent of the time (although it should be noted that even in 2007 the City was only able to meet its turnaround objective for new multi-family projects 22% of the time.)

In 2014, the City met its overall turnaround objective 40% of the time, and 0% for multi-family projects. Average turnaround time for the Building Division's initial review of a new commercial project was 49 calendar days and 48 days for a new multi-family project. Average turnaround time for initial review of a plot plan was 113 days. As these are averages, the turnaround time for some projects may be much longer than the "average." Residential additions and tenant improvements had an average turnaround time of roughly 25 days. Many of the turnaround timeframes indicated in the annual reports are far beyond what is commonly acceptable.

Perhaps recognizing that stated objectives cannot be met, counter staff members have been directed to tell customers much longer timeframes than the plan check turnaround objectives. Customers are being told that new commercial buildings should plan on a turnaround of eight working weeks for the first plan check. Other complex plan checks (apartments, new custom homes and commercial additions) have estimated six-week turnarounds, and residential additions four-week turnarounds. In Management Partners' experience, these timeframes for plan check are more than double those in most jurisdictions.

Management Partners has not evaluated the workload of existing plan checkers, or whether their work is adequate (some stakeholders noted that plan checks were inconsistent and that plan check comments were often more nit-picky than substantive). As noted previously, plan check staff was reduced further than any other section in the Community Development Department (from seven in 2008 to two in 2014). As discussed later in this section, it is also not clear whether the current structure of the plan check process is the most efficient way to do plan check.

Recommendation 23. Evaluate current plan check workload, including a benchmark comparison with other jurisdictions, and adjust as needed to meet turnaround time objectives.

The City has established contracts with outside plan check firms. Typically, as business increases, or there is staff turnover, these firms are available to address the increased workload and maintain acceptable turnaround times. Despite having these firms available, the City plan check turnaround is far from acceptable. Development activity is increasing everywhere in the Bay Area and even outside plan check firms are not as responsive as they were during the downturn. If the firms with which Santa Rosa is currently doing business are unable to deliver acceptable turnaround, the City should move quickly to contract with other firms who are better able to meet their needs.



Recommendation 24. Assess the ability of existing contract plan check firms to reduce the plan check turnaround times for all projects and/or establish new contracts. The objectives established by the department for plan check are reasonable and should be met by all divisions and departments doing plan check.

Partially as a result of the zoning changes made as part of the Aggressive Economic Development Strategy, more projects can be approved over the counter. As of a few years ago, the City also established a process to accomplish certain types of commercial tenant improvements over the counter. However, due to long counter wait times and the fact that only the counter supervisor is able to sign off on the vast majority of these OTC plan checks, many projects that might qualify for OTC approval cannot be accommodated, and the whole procedure for OTC tenant improvement approvals has been discontinued.

Over the counter approvals are very much appreciated by customers, and they are a best practice because they are very efficient. They avoid the time-consuming process of taking in plans, distributing them, returning them, etc. Some cities are doing more and more over the counter approvals by ensuring that the appropriate staff are available from other departments for OTC approvals. One strategy is to establish specific times during the week when staff will be available for OTC approvals, and allowing for customers to schedule appointments.

Recommendation 25. Establish specific hours each week when over the counter permits will be issued.

Recommendation 26. Increase the number of qualified staff at the counter to ensure that all eligible OTC projects are properly handled.

Expedited plan checks are allowed if an applicant chooses to use a third-party outside plan checker. The Building Division is not involved in the selection or management of the outside plan checkers. The Building Division then reviews the work of the outside plan checker. There is no tracking of how many individuals use this expedited process or how much time it saves. Staff did note that the quality of the outside plan checking was uneven, and some significant problems were identified.

As time is critical for most developers, when the standard process takes a long time as it currently does in Santa Rosa, the option to go outside to speed the process becomes highly attractive. But if the outside process is also not working well, the process simply compounds the frustration of a developer when staff finds fault with outside work, thereby costing the customer both additional time and the additional cost of the outside work.

If there is a decision to continue to allow an expedited process, the Building Division must assume responsibility to manage the process. The challenge with this approach is that there can be a perception that those who choose not to pay the extra cost for expediting are displaced by



those that do, thereby lengthening the process for the others. The City must ensure this is not the case.

There are typically two options for expedited work: work is done through overtime by existing staff or through the city's plan check consultant. Either way the fee is considerably higher to cover the cost. Management Partners generally does not support the in-house option because it can lead to misuse of overtime, staff burn-out and even reduced overall hours for plan check (if, as in most cities, the plan checker can choose to take compensatory time or be paid for overtime).

Recommendation 27. Modify the existing expedited plan check process so that it is managed by the City and effectively executed.

Inter-Departmental Plan Check Processing

Most project plans require review by other departments and divisions besides Building. Plans must be circulated to Fire, Planning, Engineering Development Services (EDS), and sometimes other Public Works divisions (Transportation, Utilities, etc.) and sometimes the Police Department. All subdivisions and any project requiring work in the public right-of-way are reviewed by Engineering Development Services in the Public Works Department. When EDS staff feel it is necessary, they will refer projects to other relevant divisions in Public Works, including the Transportation Division, the Water Division or others.

Currently, a project applicant will submit a set of plans for review to the Building Division to plan check for the building and all on-site improvements. In addition to undertaking plan check to meet the requirements of the building code, for single-site (not subdivision) projects, the Building Division does plan check for all site improvements, including grading, storm water control, parking, etc.

For subdivisions and projects involving public infrastructure, a separate set of public improvement plans are submitted to EDS. Often, the Building Divisions' on-site improvement plans will need to be circulated to EDS, Planning, and the Fire Department for review of on-site improvements. The EDS public improvement plans for the same project will be circulated to Building, Fire, and Planning for review. In other words, the same project will have two sets of plans being circulated at approximately the same time. Building has objectives for turnaround times and EDS has objectives for turnaround times for some types of projects, but those schedules do not coincide and staff in one department did not know the timeframes for turnaround in the other department. EDS and Building deal with the project applicant separately with regard to issues under the purview of each group.

This level of separation during the plan check process between on-site and public improvements is highly unusual and not a best practice. The divided nature of the plan check process means that a requirement of one department may affect or conflict with the plans or comments of another department or division. The onus is placed on the applicant to ensure all



plans are consistent, to deal with each individual department (and plan checker) to address comments, and resolve issues when one department's comments conflict with another department's comments or requirements. It is also very challenging for the applicant (or for City staff) to monitor plan check progress.

For the vast majority of jurisdictions, a single set of plans is submitted to the Building Division, which circulates those plans to affected agencies. This allows a single division to manage the plan check process to ensure that plan checks are completed in a timely manner and consistency is maintained between the plans.

Recommendation 28. Modify the plan check process so all plans are submitted through the Building Division, that each set includes both on- and off-site improvements.

No City staff person has responsibility for noting when projects seem to be getting off schedule, if an issue is not getting resolved, or whether a circulation error has occurred within. An applicant may have to make several phone calls to find out where a project is in the process or why it has got stuck. To ensure timely review and to have a more customer-responsive process, the City can establish a single point of contact for the applicant during the plan check process. That individual must be empowered facilitate the resolution of issues during the plan check process and help ensure that they are resolved in a timely manner.

Recommendation 29. Establish a single point of contact for any applicant wanting to know the status of their project during the plan check process.

That staff person should be responsible for identifying when plan reviews are not meeting expected timelines and for identifying when plan check issues arise and facilitating the resolution of those issues.

With the right staffing, it is possible for plan checkers in the Building Division to address both the building and other site improvements, such as grading and drainage. However, because of the increasingly complex nature of the building code, and the increasing demands placed on public agencies in relation to on-site protection of water quality and storm drainage requirements, it is more typical for specialists in the building code to focus on reviewing building plans, while engineers with special training on site improvement (both on- and off-site) focus on site improvements. As it is inefficient to have multiple people with the same training address these state and local site development requirements, those specialists are most often located in the Engineering/Public Works Department or, in some larger cities, they may be located in Community Development (as used to be the case in Santa Rosa).

Recommendation 30. Evaluate whether some efficiencies may be gained by having EDS review both on- and off-site improvements (drainage, grading, water quality protection during construction, etc.) and have Building plan check staff focus solely on buildings.



Building Inspection

The building inspectors currently are divided into “territories” and most inspections are scheduled through an interactive voice response (IVR) system. Inspectors’ phone numbers are available online and many of them also schedule additional inspections outside the IVR system. According to staff, inspectors are regularly doing more than 20 inspections per day which is a very high number of inspections.

The City has an objective of next-day inspections, and according to their system, staff is doing all scheduled inspections the next day, meeting their objective 100% of the time (according to its monthly reports). However, the inspection system has a maximum number of inspections that can be accommodated, and once that maximum is reached, it automatically schedules inspections for the following day. The City is not currently tracking how many inspections are not being done within 24 hours, or are held over to a second or even third day. Some people intentionally schedule two days out and the scheduling system does not have a way of distinguishing between individuals who were unable to be accommodated “next day” and those who simply scheduled two days out. The report on whether the City is truly meeting the objective of next day inspections is not necessarily accurate.

Recommendation 31. Evaluate how to track the number of next day inspection requests that are not being scheduled to accurately assess achievement of the next-day objective.

Relationship with Other Divisions and Departments

Management Partners interviewed at least one staff member from Fire, Public Works, the Water Department and Economic Development. According to all staff, the Community Development Department staff maintains generally good relationship with other divisions and departments in the City. However, as described elsewhere in this report, there are significant procedural and substantive issues between EDS and the divisions in Community Development. Also as noted elsewhere in this report, there is an opportunity for a more inclusive relationship between Economic Development staff and Community Development in regard to meeting the economic development priorities of the City.

Some concerns were expressed about the increasing workload for Transportation and Public Works. The department used to have 33 people and now has 11. In addition to the increased workload from the upsurge in construction, Management Partners was told that the need for inspections not previously required (e.g., landscaping is now being inspected for water use) is adding an additional burden.

Another factor affecting workload is that many of the applications being submitted now were actually approved many years ago, but not acted on due to the economic downturn. Some applicants do not understand that although an application was previously approved it must be reviewed again to ensure it meets current requirements.



Technology

Staff members were reasonably satisfied with the City's technology and support for technology. As noted earlier, the Accela permit tracking system is being updated, which should allow customers to track project review and approval processes on-line and also provide improved tracking of performance. The Building Division is moving to the use of tablets for inspections and based on the experience of other cities, while there is a significant initial learning curve, the tablets ultimately save a great deal of time for inspectors. Critical to the success of the Accela system is that all departments involved in the land use and building permit process use the system.

Recommendation 32. Require that all departments involved in the permitting and development inspection process use Accela to record their activities and comments about a project.

The new Accela system should also allow for better tracking of performance for both entitlement and plan check processes. Some of the recommendations in this document (such as monitoring response time for new entitlement submittals) will be much easier to implement with the Accela system. As noted earlier, Building already prepares comprehensive reports on its turnaround time; the new system should make preparing those reports somewhat easier.

Recommendation 33. Track, analyze and report results of the time required to process entitlement and building permit applications.

Department Organization

Management Partners has not conducted a comprehensive review of workload or department structure. While we cannot make any comprehensive recommendations, a few of the recommendations in this report have implications for staffing:

- The Building Division seems to be highly under resourced for plan check and perhaps for inspection.
- The Community Development counter is not meeting its objective for timely service and needs both restructuring and probably additional staffing.
- There is a need for someone to track and facilitate the plan review process. Typically, this would be a permit technician working with the counter supervisor.
- There is a need for a receptionist at the counter.
- Records management is a significant concern and may require additional staff resources.

Miscellaneous Observations

During the staff and stakeholder interview process, Management Partners heard many comments about the department or City that do not easily fit into one of the categories in this document, or that go beyond the scope of our work, but that we felt were important to pass on.

- An analysis of the fee structure for the development review process is beyond the scope of Management Partners' work. Nevertheless, the subject of fees came up often during



interviews, from both staff and customers. For staff, the complexity of the fee “credit” and “deferral” process is a source of concern both in regard to the significant amount of time involved in addressing the fee issue and a fear that errors will be made in either the assessment of fees or in the future tracking when and what fees are due.

In regard to customers, the subject of the costs of permits came up many times. Many of the customers felt that the system for calculating fees adopted just a few years ago did not make sense (and some staff agreed). According to those customers, the costs for some permits are way out of line relative to the cost of a project.

- The City requires that the same information be completed on multiple forms when multiple entitlements are required. The form could easily be simplified with a simple check list for those entitlements being sought, and attachments for each entitlement.
- Intra-divisional and inter-departmental communication would be improved by occasionally inviting other divisions/department to join divisional meetings and structuring agendas to discuss inter-departmental and inter-divisional issues.
- The historic preservation process would benefit from a staff member bringing some expertise (or who takes appropriate training) on the subject. Santa Rosa has many significant historic resources and an increasingly active historic preservation community. The issues associated with historic preservation include the application of the Secretary of Interior’s Guidelines; the use of the Historic Building Code; an understanding of historic periods of significance and the application of CEQA to historic resources, to mention a few. These issues are complex and the process can be significantly improved if staff has experience, especially when staffing a board typically composed of historic preservation advocates.
- Staff noted a significant backlog of code enforcement cases and that staff is doing a significant amount of triage to address critical life safety issues, but that many cases go unresolved for long periods of time.
- Records management is a source of concern. There is a growing backlog in digitizing plans and background documents. Staff noted that accessing property and building records is an essential function at the counter, and that it would be very difficult to provide good customer service at the proposed Service Hub if those records were only available in another building. Staff noted that records are currently kept in many different forms: paper (in file cabinets or some in storage), micro film, laser fiche, Accela (Permits Plus), a flip-file, etc.
- The internal process for reviewing reports for commissions and boards and for the City Council is not clear, according to some staff.



- When asked, staff did not believe that there is a written policy within the City as to when return phone calls to customers must occur. Typically, most cities have a policy that customer phone calls will be returned within 24 hours.

Conclusion

The Community Development Department and the City as a whole have made a commitment to improve the development review and permitting processes. The current reasonable customer service objectives for building and counter service are not being met. The department is not measuring its performance for entitlement applications.

Based on customer interviews, there is frustration and substantial room for improvement. The improvements identified in this memorandum focus on changes in customer service, processes, and operational improvements that will begin to address some of the deficiencies. However, some deeper cultural issues will require sustained effort by department and City leaders to address.

