



## **CITY OF SALINAS COUNCIL STAFF REPORT**

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**DATE:** MAY 2, 2017  
**DEPARTMENT:** COMMUNITY DEVELOPMENT  
**FROM:** MEGAN HUNTER, DIRECTOR  
**TITLE:** PERMIT CENTER PROGRESS REPORT ON ACTION PLAN

### RECOMMENDED MOTION:

No motion is required at this time as this item is an update on the City's implementation of the "Citygate Report": "Fourth Progress Report on Implementation of the Strategic Action Plan," in reference to the "Organizational Assessment of the Community and Economic Development Department" (Citygate Associates, LLC, October 2, 2013).

### RECOMMENDATION:

Staff recommends the City Council receive and accept the report.

### EXECUTIVE SUMMARY:

Since its release in October 2013, the "Organizational Assessment of the Community and Economic Development Department", prepared by Citygate Associates ("Citygate Report") has been the focus for Department-wide improvements in customer service, efficiency, and accountability at the Permit Center. This is the fourth comprehensive report of the Department on progress implementing the 54 recommendations in the Report's Strategic Action Plan. Of the 54 recommendations outlined in the action plan, only six have not been fully implemented. These six recommendations have been largely dependent on hiring or re-organization of staffing and therefore taken a bit longer to implement. A final report will be provided to City Council by December 2017 and include a new action plan outlining recommendations to facilitate additional improvement. Staff will engage Permit Center stakeholders in the development of this new action plan.

### BACKGROUND:

The 54 Strategic Recommendations are the result of an exhaustive study of the Permit Center and its building, inspection, planning and code enforcement functions carried out by Citygate Associates, LLC in 2013. The Citygate Report recognized the economic importance to the City of an efficient, well-functioning, and customer friendly Permit Center. While all new development in the City must go through Planning and/or Building permitting processes in order to protect the public health, safety, and welfare of the citizens of Salinas, the report appropriately emphasizes the need to balance the regulatory nature of the Permit Center and the economic development

potential of the City. After all, construction activity benefits the community and the City in a variety of ways: 1) each dollar of construction (represented in wages and materials) has a multiplier of 1.5 in other economic activity in the community; 2) development impact fees help to pay for necessary infrastructure; 3) development activity represents a permanent source of tax dollars to the City in the form of property taxes, sales taxes, transient occupancy taxes, and business license fees; and 4) a responsive and efficient Permit Center enhances the City's reputation for being "business friendly" among the development community and may prompt further interest in other development opportunities. The City has embraced this understanding of the Permit Center's role in economic development, which is also reflected in the City Council Strategic Plan and Economic Development Element.

The initial 60-day report recognized that Community Development Department (CDD) staff had already begun to implement many of the Citygate Report's recommendations, even before the report was made public. The second and third reports highlighted continuing improvements in many areas and budget decisions that have had a positive impact on the Permit Center and on staffing. These improvements have contributed to a better customer service experience.

Given the large number of recommendations, the text of this report does not respond to each individually. Rather, an attached table to this report entitled "Implementation Plan of Citygate Strategic Recommendations" includes specific recommendations, modifications and updated responses for each of the original Citygate recommendations. Additionally, in January 2015, then Interim Director Doug Yount provided a "Customer Service Improvement Action Plan" ("Customer Service Plan") with more immediate implementation of 20 specific action items as part of the implementation of the Citygate recommendations. With the exception of the institution of "movie posters" on the CDD building announcing "coming soon" projects and monthly activity reports, all of the improvements have been carried out. Although staff regularly updates the Council, Chamber, and general public on Permit Center activity, we are in the process of creating a monthly performance dashboard. This will be instituted in July 2017.

Since these attachments are rather lengthy, below is a summary of the major improvements that have taken place between October 2015 through April 2017 since the last report was presented to City Council.

## DISCUSSION:

### **Reorganization**

In 2015, the newly hired Director initiated a re-organization of the Department into six divisions: Plan & Project Implementation, Advanced Planning, Current Planning, Permit Services, Code Enforcement, and Housing & Community Development. This re-structuring has allowed for stronger focus on core functions and more cross-divisional support. In addition to the re-organization, the Director worked with division managers to develop a new departmental vision and strategic plan, which is reflected in the budget narrative and City Council Strategic Plan. The re-organization was further carried out through the 2016/2017 budget, which has allowed us to better evaluate our revenue and expenses based upon core functions. Next fiscal year, we will be able to establish an Enterprise Fund for Permit Services and begin to gradually add other Permit Center functions to the Enterprise Fund if viable.

## **Staffing**

The most significant positive change for the Department and its ability to provide for the needs of customers occurred with the unfreezing of positions that began in 2015, and the subsequent adoption and implementation of the 2015/16 and 2016/17 Budgets (Strategic Recommendation “SR” #5). The Citygate report recognized that, due to minimal staffing, the Department was “at best, in a survival mode.” Since the last report in October 2015, twelve people have been hired in the Community Development Department including four (4) in Code Enforcement and three (3) in Permit Services. We have three vacancies remaining: an Administrative Aide (Code Enforcement), Building Permit Specialist (Permit Services), and Associate Planner (Current Planning) and one approved reclassification from Building Permit Specialist to Community Development Administrative Supervisor (Permit Services). The hiring for these positions, coupled with the reclassification will greatly assist in improving service.

In 2016, the Director and Chief Building Official evaluated the proposed staffing at the Permit Center and noted that the positions were heavily stacked towards basic customer service. After observing interaction at the counter and discussing the needs of key stakeholders, it was determined that more technical expertise was needed at the Permit Center. As a result, two Permit Clerk positions were changed to a Plan Checker I and a Building Permit Specialist, the Plan Checker II position was changed to a Senior Plan Check Engineer, and the existing Building Permit Specialist position is being reclassified as a Community Development Administrative Supervisor. This took a bit of time to implement through the last few budget cycles and should be completed by the end of the fiscal year.

## **Training**

Immediately after the last report, an intensive customer training was conducted by Customer Service Advantage (CSA), Inc. involving 50 employees including staff from the Fire Department and Public Works. After the training, participants received a book on best practices on customer service and the Department developed a brochure outlining our customer service values. In addition, the City utilized CSA to complete an in-depth Kaizen training to analyze our code enforcement processes around housing complaints and to develop a specific action plan. A subsequent Kaizen training was conducted by PRC approximately 6 months later to improve collaboration between Code Enforcement, Planning, Permit Services, Engineering, and Fire.

In addition to these large sponsored trainings, the Department has established a training working group to develop an action plan for non-technical training in areas such as customer service and project management. Starting in 2016, division managers concentrated on making sure that employees were following through on certification training and actively participating in training on the newest regulations and best practices in their disciplines. The Director initiated a contract with a job coach to enhance the leadership and communication skills of the three top managers in the Permit Service Division. The Director also has been working with supervisors to complete comprehensive staff evaluations and closely review performances of new employees during probation to ensure excellent customer and positive, “can-do” attitudes (SR#14). Based upon lack of customer service performance, a former inspector failed his probationary period last year.

## **Customer Feedback**

In addition to satisfaction cards typically provided to customers (SR#12), staff has worked diligently with Boots Road and the Chamber of Commerce to develop electronic customer service surveys. In order to obtain information on customer experiences for specific services, three separate surveys were developed. The surveys target customers of Planning Permitting, Building Permitting, and Engineering. The surveys are being hosted by the Chamber. CDD staff worked with Boots Road to design and distribute cards to encourage participation in the electronic surveys. In addition, an email response with links to the survey is consistently sent to customers who have an email address. Unfortunately, the preponderance of responses still come to us via the satisfaction cards (35) and very few from the electronic surveys. The customer feedback via the cards and online survey has been overwhelmingly positive – with only two critical responses and one vague comment.

It should be noted that most complaints regarding the Permit Center come directly to the Division Managers or Director, City Manager, City Council or Mayor. Since the last report, these complaints have steadily declined. The most common complaint is slow response time usually created when a critical technical staff is out of the office. Because staffing is still limited (i.e. only 2 plan check staff) when someone is out of the office or workload is high, it can delay our response times. Regular weekly Permit Center staff meetings have helped better address these challenges and anticipate workload.

## **Coordination**

The greatest enhancement since the last report is our improved Permit Center coordination. As highlighted in the attached table, we instituted weekly Permit Center staff meetings in addition to the Development Review Committee (DRC). The purpose of the DRC is to focus on specific project applications and facilitate review. The DRC meetings never delved into needed system improvements. However, the new Permit Center coordination staff meetings have been organized to identify and address system issues in order to improve our service. For example, we have been able to evaluate our automated customer sign-in system, which helps us analyze service and wait times. During this process, we discovered that the Greeter spent significant time tracking down technical staff to assist customers at the counter. To address this challenge, we implemented a pager system in conjunction with the automated sign-in system. This has subsequently facilitated response times and allowed the Greeter to focus on the customer at the counter. Through these meetings, we have also been able to advance the procedure and policy manual, develop Trakit protocols, promote cross training, share resources, and improve the review of projects across multiple departments and divisions.

In addition to these weekly meetings, the Department has formed six working groups: 1) Strategic Planning, 2) Customer Service, 3) Permit Center Coordination, 4) Training, 5) Morale, and 6) Space Planning. The working groups are supported by staff at all levels from each division and include the Public Works (Engineering) and Fire Departments. These working groups have helped break down silos and facilitate greater coordination and support. An example of this is the Housing & Community Development Division, which lent a staff member to Current Planning to assist at the public counter to cover a recently created staff vacancy.

## Code Enforcement

The Citygate Report recommended that the City consider integrating many of its inspection services – including Code Enforcement, Fire Inspection, and Building Inspection into a combined “Safety Services Bureau” (SR#8), with an emphasis on improving organizational effectiveness, efficiency and customer service. The City Manager initiated discussions between the departments on the possible creation of a Safety Services Bureau, but it was decided that greater efficiency could be achieved by re-structuring Code Enforcement and hiring more staff. We also started improving inspection coordination across departments. In 2015, building inspectors began conducting fire inspections on residential projects.

Late in 2015, the Department began restructuring the Code Enforcement Division based upon the Citygate Report and a recently developed Kaizen Action Plan. We identified systemic clogs and were able to address a **9,000** case backlog. We also brought on a new Senior Code Enforcement Officer with substantial experience especially in residential inspection and hired three additional staff. We created a new Administrative Aide position focused on scheduling inspections, customer follow-up, documentation, and organizing workload to ensure that code enforcement officers spent more time in the field. This dramatically improved response times from 1-2 months to 2-3 days. Through the staffing additions, the Division has been able to conduct code enforcement work on Saturday and Sunday. We also have begun to work more closely with active neighborhoods on proactive code enforcement and in conjunction with Legal, increase receivership cases to address some of our worst buildings and properties. The Division also has been tapped to assist with broader code issues such as clean-up of homeless encampments on private property.

Thanks to a strong division manager, Lorenzo Sanchez, Code Enforcement has assumed responsibility for leading multiple Task Forces with Police, Fire, Legal, and Public Works on serious nuisance properties such as 1 Bridge Street, the Star & Continental Motels, and many residential properties going through the receivership process, such as 115 E. Acacia St.

Because of the tremendous strides made in improving code enforcement response, we have been asked by many residents to assume full responsibility for abandoned vehicles. This would also free up Community Safety Officers to provide more direct support to the Police Department. In next year’s budget, we are proposing to make this shift and hire two new officers. If Code Enforcement took on abandoned vehicles, it would alleviate confusion about which department is responsible. Frustrated residents are consistently sent back and forth between Code Enforcement and the Police Department to lodge complaints. Code Enforcement and Community Safety Officers are frequently sent to the same locations to address different violations. By consolidating this service into the Code Enforcement Division, the City can address vehicle owners that continue to alternate storing prohibited and recreational vehicles on the street and on private property and eliminate time spent on repeatedly responding to complaints on the same vehicles. This expansion would represent a significant improvement to the City’s overall code enforcement.

### CEQA CONSIDERATION:

**Not a Project.** The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action have no potential to cause any effect on the environment, this matter is not a project. Because the matter does not cause a direct or foreseeable indirect physical change on or in the environment, this matter is not a project.

### STRATEGIC PLAN INITIATIVE:

This Fourth Progress Report on Implementation of the Strategic Action Plan, in reference to the “Organizational Assessment of the Community and Economic Development Department” (Citygate Associates, LLC, October 2, 2013) supports City Council’s goals of Economic Diversity and Prosperity with the objective of Enhancing Permit Center Operations; and Safe, Livable Community with the objective of improving Code Enforcement in the City.

### FISCAL AND SUSTAINABILITY IMPACT:

The Department is currently implementing recommendations, as noted above, that are within the current CDD budget, and include the hiring of essential positions for the full functioning of the Department.

### ATTACHMENTS:

Citygate Strategic Action Plan  
Customer Service Improvement Action Plan