



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: JANUARY 23, 2024

DEPARTMENT: COMMUNITY DEVELOPMENT

FROM: LISA BRINTON, DIRECTOR

WITH: ANGELINE ANZINI, CHIEF BUILDING OFFICIAL
YAZMIN OCHOA-FLORES, ADMINISTRATIVE ANALYST

TITLE: 2023 PERMIT CENTER ANNUAL REPORT

RECOMMENDED MOTION:

A motion to accept the 2023 Permit Center Annual Report. No further action required.

EXECUTIVE SUMMARY:

The 2023 Annual Report covers the past calendar year and consists of this staff report and the attached 2023 Performance Measures Dashboard. The staff report discusses the findings and recommendations of the 2023 Community Development Department Organizational Assessment and Permit Services staffing needs, analyzes key performance measure data, highlights current and future development projects, provides a Project Dox implementation update, and shares customer service survey feedback. The Dashboard presents the performance measure data visually and shows year over year comparisons for Permit Services, Current Planning, Code Enforcement, Economic Development (Small Business Support), Development Engineering and Fire, which are integral to Permit Center activities and processes.

BACKGROUND:

2023 Organizational Assessment

Upon appointment as Community Development Director in May 2023, I identified the need to revisit organizational structure, refine and develop policies, and formalize workflow between divisions and departments to increase productivity and improve customer service at the Permit Center. Working with Human Resources, Municipal Resource Group, LLC was hired to assist with an organization, policy, and workflow assessment, focusing on Permit Services functions. In August and September 2023, MRG reviewed the Department's organizational chart and existing Permit Services workflow/procedure documents and conducted confidential interviews with 14 staff and three members of the Business Development Committee. The Organizational Assessment Report made the following findings and recommendations.

Findings:

1. There is a need for increased staffing. Permit Services staffing resources are low for a city the size of Salinas and the volume of Permit Center activity.
2. There is confusion between Community Development divisions regarding roles, responsibilities, and Permit Services/Center activity workflow. Formalized department and workflow policies and procedures are needed.
3. Intra-departmental working relationships and communications are strained. This effects morale, efficiency, and customer service.
4. There is a lack of leadership and a need for team building. Permit Services management and Chief Building Official positions were vacant since 2018.

Recommendations:

1. Increase Permit Services staffing resources.
2. Update job descriptions and create Flex Positions (Level I/II) to provide flexibility in hiring and promotional opportunities.
3. Establish a centralized location for manuals, policies, procedures, and checklists to clarify roles and responsibilities.
4. Add an Assistant Community Development Director position to oversee Community Development Permit Center functions.

Actions taken in 2023:

1. Updated job descriptions for Permit Clerk, Senior Plan Check Engineer, Plan Check Engineer, and Combo I/II Building Inspector positions.
2. Established a centralized location for manuals, policies, procedures, and checklists.
3. Formalized an agenda and performance data template that is reviewed during weekly Permit Services division meetings and bi-weekly during Permit Center coordination meetings to facilitate discussion of workflow and application review issues.
4. Recruited and hired a Chief Building Official (September 2023) and an Assistant Community Development Director (Acceptance December 2023; start date January 2024).

Next steps are discussed later in this report in the 2024 Priorities section.

Staffing

The Permit Services Division has several position vacancies that directly and significantly affect the permitting process. Current position vacancies include an Administrative Analyst, Front Counter “Greeters”, a Senior Plan Check Engineer, a Plan Check Engineer, and two Combination Building Inspector I. Due to limited staffing resources and position vacancies, additional outside professional services are needed to review, process, and inspect permit applications in a timely manner. In November 2023, the City Council approved Amendment No. 1 to the Agreement for Professional Services with CSG to increase total compensation to \$750,000 to address Plan Review and Inspection staffing shortfalls and the current increase in workload. In addition to filling the above vacancies, additional staffing and/or consultant resources will be required as the volume of Permit Center activities will increase exponentially in 2024 as applications are submitted for Future Growth Area development. More detail regarding anticipated timing and volume of applications is provided in the Major Projects - Current and Future section below.

2023 Dashboard Summary

The table below shows key performance measures of Permit Services functions. The 2023 Performance Measure Dashboard, provided as an attachment to this report, presents the data visually and shows year over year comparisons. Performance Measure data for other Community Development divisions and City departments (Current Planning, Code Enforcement, Economic Development – Small Business Support, Development Engineering, and Fire) is also provided in the Dashboard, as they are integral to Permit Center activities and processes.

Table 1: 2023 Permit Services Performance Measures

Performance Measure	Q1	Q2	Q3	Q4	2023
Administrative Functions					
Total City Reports Completed	118	146	127	99	490
Total PRA Reports Completed	29	41	43	N.A.	**113
Phone Calls Received	5,277	5,905	6,480	6,086	23,748
Individuals Served at the Counter	1,474	1,589	1,517	1,309	5,889
Plan Check Process					
Total Building Permit Reviews Completed	1,862	1,853	1,615	1,633	6,963
Percent of On-Time Building Permit Reviews	71%	84%	83%	50%	72%
Average Working Days from Application to 1st Building Permit Review	14	14	16	18	16
Inspections Process					
Total Building Inspections Completed	3,331	3,470	3,795	3,906	14,502
Virtual Inspections	158 (4.7%)	170 (4.9%)	182 (4.7%)	205 (5.2%)	715 (4.8%)
Totals					
Simple Permits Approved	163 permits	203 permits	194 permits	182 permits	742 permits
Working Days from Application to Approved	1 day	3 days	7 days	4 days	4 days
Building Permits Approved	378 permits	408 permits	385 permits	334 permits	1505 permits
Working Days from Application to Approved	47 days	47 days	52 days	45 days	48 days
Valuation for Total Permits Issued	\$16,100,743.52	\$16,312,733.46	\$39,267,492.62	\$28,413,211.53	\$100,094,181.13
*Fees Paid for Total Permits Issued	\$689,780.65	\$856,694.97	\$1,520,288.31	\$853,661.84	\$3,920,425.77
*Fees may not have been collected during 2023					
**Sum of Quarters 1-3					
N.A. = Not Available					

There are several noteworthy items on above table related to Permit Services administration, plan review and inspections. Admin staff were down a Permit Technician during Quarters 2 and 3 resulting in an application intake backlog. In addition, limited-term and temporary Community Outreach Assistants responsible for customer service the counter resigned in Quarter 4 for other employment opportunities, making it challenging to staff the counter and phones. Plan Review lost both Senior Plan Check Engineers in Quarter 3 leading to an increase in average review times. Many plan reviews were shifted to consultants (CSG) in Quarter 4, but the review times increased and percentage of on time reviews dropped significantly because CSG is unable to provide the same level of service as an in-house reviewer. These plan review trends will likely continue in 2024 until vacancies have been filled and new hires are trained. Traditional and virtual building inspections both increased throughout the year. Workload was managed by allowing more virtual inspections and bringing in consultant staffing to help with two inspector vacancies which opened in Quarter 4. State law AB2234, effective January 1, 2024, requires residential building permit applicants to be notified of application incompleteness within 30 days of submittal. Performance data for this requirement will be reported on in next year's annual report for administrative staff.

Major Projects - Current and Future

Large projects completed in 2023 include the fire damage reconstruction of the agricultural facility at 1207 Abbott Street, four mixed use buildings at 400 and 500 Abbott Street containing 40,000 square feet of commercial space and 110 residential units, a tenant improvement at 1050 North Davis Road for Vallarta Supermarkets, Salinas Valley Health medical offices at 212 San Jose Street and new parking garage at 450 East Romie Lane (Salinas Valley Memorial Hospital). Highlights of permits under review or construction include a tenant improvement for Kaiser Permanente Medical Offices at 1930 North Davis Road, the Transportation Agency of Monterey County Commuter Rail Extension at 20 New Street, and an office and warehouse expansion for Quinn Cat at 1300 Abbott Street. Building permits go through plan review and inspection to ensure high quality construction and the safety of the building occupants. This construction is a direct investment in our community. Ease of permitting for commercial spaces encourages a diverse and thriving economy, and supports small, large, and entrepreneurial businesses in the City.

Use of Technology

In February of 2023 the Permit Services Division launched its Paperless Permit Portal allowing permits to be applied for, completed, and stored in a system available to the public through their internet browser. Applicants can complete an application, submit payment, move through the review process, and receive permits from a remote location any time of day.

With the launch of the Paperless Permits Portal, staff focused on education and training by refining user guides, videos, and hosting two community webinars, attended by approximately 120 community members. Currently these educational materials are being translated into Spanish. Overall, the response to the shift to the online portal has been positive. Technology savvy design professionals embraced the new system immediately. However, on extremely large projects, professionals and staff have had to work together to coordinate the uploading and labeling of the large quantity of files submitted. Applicants who struggle with the portal are homeowners and small business owners, who are frequently onetime users and unfamiliar with the building permit process or individuals with limited computer access and proficiency having trouble navigating the system. To help these customers a phone line and dedicated email were created. Staff also are available to walk applicants through the process in person at the Permit Center counter.

Internally, many staff members have welcomed the automation Paperless Permit provides. Other benefits include a more streamlined review and approval process, but some staff struggle to learn the new workflows and features of the system. Enthusiastic adopters provide weekly training to share tips with each other, help staff who have run into issues and education new users about what the system has to offer. Employees with time sensitive issues frequently get help from the staff that man the Paperless Permit phone line and email.

Virtual inspections, which are only possible for uniform types of inspections, have been successful. The virtual inspection process requires the applicant to follow specific steps to show their work is compliant with the Building Codes. Applicants can document and share completed work via email any time of day rather than schedule and wait for a site inspection. Virtual inspections also save staff time by eliminating the need to travel to the site, which allows inspectors to work more efficiently. Future goals include refining and formalizing procedures, expanding the types of inspections allowed, and collecting customer feedback on the process.

Customer Service

During 2023, the Permit Center served 5,889 individuals in person. These individuals included 43 customers coming in for Small Business Support to 2,067 customers who received assistance from Permit Technicians. On average staff served 491 customers per month at the Permit Center counter with the highest volume of customer during the month of September (589). Each customer received a text after their appointment asking for customer service feedback. Five percent (5%) of customers (279) responded to the Customer Feedback Survey in 2023, 92% of which stated the service received at the Permit Center met or exceeded their expectations.

In May 2023, Permit Center staff partnered with the Salinas Valley Chamber of Commerce and other city departments to host a Permit Center mixer. Divisions and departments shared the importance of obtaining the correct permits and information about their division functions, requirements, and processes through interactive displays. The event was well received by the approximately 100 attendees.

2024 Priorities

In 2023 staff prioritized the Organizational Assessment's recommendation to establish an Assistant Community Development Director (ACDD) position to oversee Community Development Permit Center functions. The recruitment process has been completed and David Gonzalves was offered and accepted the ACDD position effective January 23, 2024.

In 2024, ACDD priorities will be centered around developing an action plan to address Assessment findings and recommendations. Key Action Plan components will be 1) addressing staffing resource needs, 2) formalizing workflow, and 3) compliance with numerous new state mandates related to permit processing. Staffing action steps will focus on working with Human Resources to fill critical vacant positions and developing and implementing a staffing and consultant augmentation plan to address the anticipated increase in volume from Future Growth Area (FGA) development and building permit applications. Submittals are expected to begin late in Quarter 1 of 2024. Over many phases, West and Central Areas of the FGA will construct between 6,827 and 8,251 residential units and 1,061,200 square feet of commercial space. The permitting work for these future growth areas more than quintuples the average number of building permits processed by the Permit Center in a single year. In 2024, additional Administrative, Plan Review and Inspection staffing and/or consultant support will be needed by all divisions.

The state legislature is creating large quantities of new laws which impact the development, construction, and permitting requirements. Many of these laws require the creation of new processes, the development and purchase of technology, and education of the public. In addition to the regular triennial California Building Code adoption on January 1, 2023, the Permit Center is working to comply with the following recently chaptered laws:

- AB 42 Tiny homes: temporary sleeping cabins: fire sprinkler requirements
- AB1046 Alquist-Priolo Earthquake Fault Zoning Act: exemptions
- AB 1132 Solar energy systems: permit fees.
- AB 1332 Accessory dwelling units: preapproved plans

- AB 1738 Building standards: installation of electric vehicle charging stations: existing buildings
- AB 2234 Planning and zoning: housing: post-entitlement phase permits
- AB 970 Planning and zoning: electric vehicle charging stations: permit application: approval.
- SB 379 Residential solar energy systems: permitting
- SB 897 Accessory dwelling units: junior accessory dwelling units
- SB 1194 Public restrooms: building standards

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that this administrative report is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378).

STRATEGIC PLAN INITIATIVE:

Permit Center operations support City Council 2022-2025 Goals and Strategies of Economic Development and Housing/Affordable Housing through the entitlement and permitting of commercial and residential uses that generate jobs, revenue, and a variety of housing types for the community. Continuous focus on workflow improvements and the use of technology for electronic application submission, review, and permit issuance furthers the Council's goal of Effective and Culturally Responsive Government.

DEPARTMENTAL COORDINATION:

Permit Center operations span multiple Community Development divisions and City departments including Permit Services, Current Planning, Code Enforcement, Economic Development (Small Business Support), Development Engineering, Fire, and Finance. Effective coordination of all Permit Center functions is vital to streamline permitting processes and provide quality customer service. In 2023, staff met regularly with the Salinas Valley Chamber of Commerce Business Development Committee to discuss customer feedback surveys, performance data measures and Permit Center coordination efforts, Paperless Permit launch and implementation, and other areas of support. In November 2023, an annual report template and key performance data was shared with the BDC and was well received. Staff incorporated BDC feedback into the final Dashboard.

FISCAL AND SUSTAINABILITY IMPACT:

There is no fiscal impact associated with this administrative report. The Permit Services Division is an Enterprise Fund (6900). Fees for service and surcharges are collected to cover cost of operations.

ATTACHMENTS:

2023 Performance Measures Dashboard
PowerPoint Presentation