



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

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**DATE:** NOVEMBER 5, 2019

**DEPARTMENT:** COMMUNITY DEVELOPMENT

**FROM:** MEGAN HUNTER, DIRECTOR

**BY:** JOSEPH DESANTE, PERMIT CENTER MANAGER

**TITLE:** PERMIT CENTER IMPROVEMENT UPDATE

**RECOMMENDED MOTION:**

This is an Administrative Report on the continuous improvement process of the Permit Center and implementation of the Action Plan for Building Plan Submittal and Review Process. No further action is required.

**RECOMMENDATION:**

No action is required as this is an Administrative Report which provides an update on improvements at the Permit Center and the implementation of the Action Plan and provide direction on the formation of a Business Development Committee.

**EXECUTIVE SUMMARY:**

The goal of the Action Plan, initiated in February of 2018, was to revise the building plan review and submittal process to eliminate under- and over-processing, improve communications, limit hand-offs between divisions/departments, create new standard operating procedures, and shift staff from being reactive to proactive. The Action Plan includes thirty-seven (37) tasks, of which staff has completed twenty-three (23) and has made substantial progress on thirteen (13). In the previous report, nine (9) tasks were placed on hold, of which six (6) were waiting for the TRAKiT upgrade.

Since the last update in April, the TRAKiT 9 upgrade was completed and a part-time Business Support Analyst focused on diagnosing issues related to customer service and helping draft educational materials was hired. The Analyst is providing limited permit navigation services to help staff understand what is needed to better support our customers. Staff continues our commitment to customers by providing professional and efficient services that support public safety and advance the City's economic prosperity. Staff recognize that many of our customers have never interfaced with the Permit Center before and customer experience and satisfaction is paramount. As a result, the next phase of implementation of the Action Plan will be focused on communication and the customer experience.

## BACKGROUND:

Beginning in March of 2013 and concluding with a Council presentation in December of the same year, the CityGate Report and associated Strategic Action Plan provided an analytical third-party review and analysis of the Community and Economic Development Department operations, which designed a forward-looking improvement process for the department. City staff has provided progress updates to City Council regarding implementation of the fifty-seven strategic recommendations. While almost all of the strategic recommendations have been implemented, progress at the Permit Center began to slow. Staff recognized that additional improvements could be made to permit process, but a new roadmap was needed to guide implementation.

After successful use of the Kaizen to dramatically improve Code Enforcement in 2015, Permit Center staff decided to employ the same technique for the building permit submittal and review process. The December 2017 Kaizen-driven Process Improvement Event resulted in an Action Plan with 37 implementation tasks. At the April 2019 Council presentation, staff had noted 62% of the actions had been completed, four had substantial progress, nine were on-hold of which six were dependent on the TRAKiT 9 upgrade.

- **December 10, 2013:** Organizational Assessment of the Community and Economic Development Department (CityGate Report) – 60 Day Report on Implementation of Strategic Action Plan.
- **August 10, 2015:** Administrative Report - CityGate Report Implementation and Customer Service Improvement Action Plan Update
- **February 20, 2018:** Action Plan for Building Permit Submittal and Review Process
- **July 3, 2018:** Permit Center – Update for Building Plan Submittal and Review Process
- **April 2, 2019:** Permit Center Improvement Update

## PROGRESS:

Twenty months into the implementation of the Action Plan, staff are continuing to innovate the process and make modifications to improve the efficiency of the process while ensuring public safety. Permit Center staff including the Permit Services and Current Planning Divisions of Community Development, and the Fire and Public Works Departments regularly meet through the Development Review Committee or the weekly Permit Center staff meetings. These staff meetings have been critical in reviewing and streamlining other processes that are helping with managing case load and maintaining timeliness. Thus far in 2019, the Permit Center experienced a nearly 47% increase in the number of permits issued and yet was able to improve upon our approval rate of 40 or fewer days for 93% of these permits.

## Information Technologies

Between September 9 - 11, 2019, TRAKiT 9 was installed and the program went live on September 12th. TRAKiT 9 is a web-based program that will expand the way staff and public can utilize and capture permit information. During the install, staff started working on the six applicable actions tied to the new system.

With the TRAKiT 9 upgrade complete, staff has shifted its focus to digital applications, particularly electronic plan review. The Director and senior plan check staff toured the City of Cupertino Permit Center. Cupertino is an all-electronic submittal and plan review Permit Department. During the tour staff were introduced to the different issues and processes that are utilized to make an all-electronic permit process function. Staff is currently looking into how our department may be able to utilize and update our process similarly. Utilizing an electronic submittal/review process would address many of the action items and provide the ability to maximize on the efficiencies that have been built into the TRAKiT upgrade.

An important requirement to the electronic submittal/review process is how different computer programs work with each other. At the start of this fiscal year, Finance approved CDD to cover the 30% use of a staff member from Information Services Department. The assigned IT Project Manager is assisting in reviewing and vetting programs regarding the capability of all systems to work with each other. The first system to be acquired will be a check-in/queuing system. The program is the same system the County of Monterey utilizes for this purpose and will allow customers to make appointments, check the wait-times, and sign-in from any smart device prior to coming to the Permit Center. Additionally, the reporting function is much more robust than the current system, allowing for additional metrics to improve operations at the front counter.

### Customer Service

Through the Alisal Vibrancy Plan, many residents express the desire to have a permit navigator to help guide residents and particularly small businesses owners through the development process. Other organizations such as the Salinas Valley Chamber of Commerce have expressed interest in this concept. As a result, the Community Development Department has hired a part-time Administrative Analyst (Business Support Analyst) focused on Small Business Navigation who reports to the Plan and Project Implementation Manager responsible for small business development.

The Analyst position is focused on devising a system to seamlessly and efficiently provide these navigation services and help improve customer communication, educational materials, and staff training. The Business Support Analyst is also working on establishing a small business website as an additional resource. The Business Support Analyst will review various business models and identify specialized training in areas such as accounting, workers compensation, and leasing space that could be provided in addition to navigating City services. This position is designed to work in concert with the Permit Center staff but reports to the Project and Plan Implementation Manager to maintain impartiality into the process.

### Drop Box

A physical drop box was originally proposed in the Action Plan to allow customers to drop off plans or other documents during hours the Permit Center is closed. After much deliberation, it was determined that a physical drop box could propose a safety hazard particularly because of the number of homeless around the building currently leaving trash and debris and going to the bathroom. Allowing for digital submission of plans is a much better way of providing convenience to our customers.

### Permit Center Coordination Among Departments

Coordination among Community Development, Fire, and Public Works at the staff level continues to yield process improvement. In addition, ongoing discussion have occurred between the Fire Chief, Public Works Director and the Community Development Director to consolidate the review of various Departments involved in permitting. Staff is committed to creating a unified experience for the customer who will view all staff as employees of the Permit Center and not siloed individual departments.

### PERFORMANCE METRICS:

Performance metrics created are:

- PM #1: 95% of plans will be approved with no more than one revision.
- PM #2: 95% of all plans will be approved within 40 days after submittal.
- PM #3: All plans will be reviewed for completeness within 72 hours instead of the normal review time of 2-4 weeks

Through September 30th, the Permit Center has seen a dramatic increase in the number of permit applications in comparison to past years. Applications are at an all-time high, yet the review and approval time have decreased. Staffing levels of the Permit Services, Engineering and Current Planning Divisions have increased over the last few years, with the most notable hires being the two Building Permit Specialists. The two specialists have been at their positions for over a year and are now addressing many of the more basic permits at the counter. That counter work allows plan check staff to stay focused on plan review without interruption. Additionally, even though the number of permits increased, the number of reviews has reduced, showing that the plans are coming in more complete, most likely attributed to the pre-application and completeness reviews.

| CALENDAR YEAR                | 2013             | 2014 | 2015 | 2016 | 2017 | 2018 | 2019* |
|------------------------------|------------------|------|------|------|------|------|-------|
|                              | PERMIT DATA      |      |      |      |      |      |       |
| PERMITS APPROVED             | 689              | 690  | 872  | 1021 | 1040 | 1248 | 1831  |
| PM#1: APPROVED AT 1 REVISION | 561              | 564  | 704  | 902  | 804  | 999  | 1680  |
|                              | 81%              | 82%  | 81%  | 88%  | 77%  | 80%  | 92%   |
| PM#2: APPROVED @ 40 DAYS     | 510              | 522  | 693  | 811  | 819  | 1008 | 1700  |
|                              | 74%              | 76%  | 79%  | 79%  | 79%  | 81%  | 93%   |
| OTC PERMITS                  | 270              | 239  | 334  | 418  | 432  | 457  | 1123  |
|                              | 39%              | 35%  | 38%  | 41%  | 42%  | 37%  | 61%   |
| APPROVAL TIME - DAYS         | 38               | 33   | 28   | 23   | 31   | 23   | 9     |
|                              | PLAN REVIEW DATA |      |      |      |      |      |       |

|                |      |      |      |      |      |      |      |
|----------------|------|------|------|------|------|------|------|
| NO. OF REVIEWS | 2543 | 3356 | 4393 | 4780 | 5179 | 5662 | 3706 |
| AVERAGE DAYS   | 8    | 8    | 7    | 6    | 7    | 7    | 6    |
| ON-TIME        | 2121 | 2811 | 3913 | 4391 | 3955 | 4964 | 3234 |
| % ON-TIME      | 83%  | 84%  | 89%  | 92%  | 76%  | 88%  | 87%  |

\*1/1/2019 – 9/30/2019

#### Performance Metric #1:

As noted in previous updates, approving a submittal at the second review is predicated on the submittal completeness at the initial submittal. The pre-application is increasing staffs' efficiencies, but ultimately staff performance is tied to the applicant's knowledge, ability and willingness to go through the pre-application process.

#### Performance Metric #2:

The metric for approval within 40 days sets a benchmark that is still applicant loaded for a complete submittal but has begun to show the improvements and quickness of staff review of the applications. Staff is increasing the number of permits approved within the first 40 days of applications resulting from more complete plans.

#### Performance Metric #3

As described in previous reports, the "Completeness" Review process was revamped. Consequently, the original benchmark is consistently being attained. In most cases, completeness review is occurring over the counter except when plans do not go through the Pre-Application Phase or are submitted electronically. In those cases, this review is completed within 72 hours.

In addition to the Performance Metrics, a dashboard of the permitting data has been created showing the permitting activity from 2013 through September of 2013. The Department continues to make marked improvements in all aspects of the review process even with the increase in the total number of permits.

#### NEXT STEPS:

##### Upgrade the Check-In System

As described above, staff is proposing an improved "Check-In" system that would assist the Greeter and allow customers to make appointments via mobile App.

##### Permit Navigator Role

Once the Business Support Analyst incorporates the outreach tasks in the Action Plan, the part-time Administrative Aide can be trained in the role of Permit Navigator. It will be important to evaluate the effectiveness of this role and determine if a full-time position specifically dedicated to this function should be created.

##### Electronic Plan Review

Staff will begin putting the framework together to determine what is required to shift to an all-

electronic permitting system.

#### Business Development Task Force

With the guidance of City Council, it is recommended that the Business Development Task Force be reconstituted as originally conceived. Staff propose to work the Mayor and Councilwoman Cromenes to recruit contractors, architects, small businesses, and stakeholder groups like the Salinas City Center Improvement Association (SCCIA) to form a renewed BDC. The BDC will serve as a Working Group to the Permit Center and provide direct input into the implementation of the Action Plan and needed refinements. If the City Council agree, the BDC could be established by January 2020. Staff at the Permit Center want to work in partnership with our customers through the BDC to ensure our improvements are continuous and sustainable.

#### 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).

#### STRATEGIC PLAN INITIATIVE:

This report supports City Council's goal of Economic Diversity and Prosperity with the objective of Enhancing Permit Center Operations.

#### DEPARTMENTAL COORDINATION:

This improvement process spans multiple City Departments by coordinating efforts within the Community Development Department, Fire Department, Public Works Department, Finance Department, City Attorney's Office and various outside groups and agencies.

#### FISCAL AND SUSTAINABILITY IMPACT:

The Department has been implementing recommendations within the current Permit Division Services Enterprise Fund including the hiring of key personnel. There has been no General Fund Impact.

#### ATTACHMENTS:

Action Plan  
Dashboard Data