

Planning and Permitting Mayoral Transition Committee Report

Through the Committee process, Committee members learned from the Planning, Building, and Code Enforcement (PBCE) Director that a new management framework has been under development for a few months with the plan to be publicly shared at the Community & Economic Committee meeting on February 27, 2023. There is an addendum in this report that highlights that work is being undertaken. The addendum explains why pieces of the framework were not included in the recommendations below. The outcomes, recommendations, and success metrics below are meant to move the needle on items that are either partially underway or on items that need to be advanced.

Outcome and Success Metrics

Outcome #1: San José customers receive timely, responsive, predictable, and reliable planning and permitting services.

Success Metric: Rate of decrease in permit time for the top 3 most important permit pathways.

Outcome #2: San José is recognized for staff-level efficiency, is “open for business,” and is competitive with other cities in the Bay Area for attracting development dollars.

Success Metric: The rate of increase in construction dollars invested within the City of San José as benchmarked against the top 5 comparable cities in California.

FY 23-24 Recommendations

Recommendation #1: System pilot a project manager for the five different types of projects for plan check and building permits: large commercial, large residential, small residential, tenant improvements, and affordable residential projects. Some projects are assigned randomly to a manager and some will go through the current process and are not assigned a project manager. This pilot will test the efficiencies of each approach to identify if we can decrease the time it takes for

the average permit or to see if we can decrease the number of rounds required to receive a permit.

The city would need to consider using other funding sources, such as the General Fund, Measure E funds, and construction taxes, that could be used for specific areas of improvement, such as creating new positions for processing affordable housing applications, adding new positions to the PBCE Administrative Division, or creating new positions to serve as “project managers” for the entire development services process—from Planning entitlement to Building permit issuance to inspections and occupancy.

Success Metric: City Council consideration by December 2023 and roll out the Project Manager Pilot in 2024 to be funded for at least 2 - 3 years.

Recommendation #2: Increase the quality of San Jose’s communication to its customers so that the communication is high quality and two way. Refine the web portal to share more information about where an applicant's project stands and enhance the ability for customers to stay in contact with the city. Automatically disperse satisfaction surveys to PBCE customers after they receive their permits.

Success Metric: Decrease in average response time from development services to customers. An increase in customer satisfaction.

Recommendation #3: Temporarily broaden the use of methods currently used to address the permitting backlog for development review (planning), plan review (building), and other services.

Success Metric: By January 2024: Reduce the development review backlog by at least 20%; Reduce plan review backlog by at least 20%.

Recommendation #4: Conduct a cost recovery analysis for five permit types to inform a future comprehensive evaluation of the cost recovery model for development services. Consider the usage of other funding sources, such as Measure E funds and construction taxes, that could be directed to discrete areas for improvement (i.e., hiring additional staff for processing affordable housing applications or other projects).

Success Metric: City Administration analyses completed by June 2023.

Recommendation #5: Strengthen the hiring process for Development Services staff, including Planning, Building, and Code Enforcement, Public Works, and Fire.

Success Metric: By June 2024 fill at least 20% of vacancies and improve staff retention by 20%.

FY 24+ Recommendations

Recommendation #1: Conduct program-level CEQA analysis for approved urban village plans to shorten the approval processes for new development projects. This approach has been a successful component of the Downtown Strategy 2040 and Environmental Impact Report. By investing in CEQA groundwork, we can allow areas of the City to be developed more quickly. Create a revolving fund for recovering costs of the city paying for CEQA analysis from the developers paying into it that develop in these urban villages.

Success Metric: Bring to City Council an action plan by June of 2023 and approve CEQA analysis for urban village plans by June 30, 2025.

Recommendation #2: Review the level of scrutiny the City applies to projects within the City of San Jose development partner pipeline. It is the impression of this Committee that the City is spending time and effort on scrutinizing non-safety related elements at a level that is inefficient and unnecessary. Eliminating some work scope can free up valuable staff time to focus on higher value projects and ensure city planning and permitting process move forward more expeditiously.

Success Metric: Commission an analysis of the top 5 most challenging non-safety related permitting and planning processes that add to delays for development projects and return to Council by June 30, 2026 with analysis.

Recommendation #3: The City Council may have to make choices and priorities for the re-allocation of resources. Some types of projects benefit the City's budget through the General Fund and some projects are subsidized by the City's budget. The City Council should receive a report that discusses the City's responsibility to provide services to all customers while also understanding the fiscal impacts of land uses and through the General Fund or through other means.

Success Metric: City Council receipt of a report analyzing the City's responsibilities to development services customers and analyzing the fiscal impact of land uses in the City by December 31, 2023.

Planning and Permitting Committee Addendum

New Initiatives Underway and Coming Soon: Throughout the transition committee discussion with stakeholders and city staff we learned that many of the recommendations that had broad consensus have been in the planning stages and will be implemented in the next year. Below is a preview of some of those initiatives so that we can measure success as they roll out.

- Customer service rollout of 43 “dashboards” that measure standards and benchmarks on PBCE departmental goals. A number of these dashboards will be public on the website to ensure accountability and measure progress. (broad consensus in each committee meeting to measure progress publicly)
- Reinstatement of the residential “express” service for the building permit process to allow for applicants to pay for expedited building permit processing.
- Reinstatement of Special Tenant Improvement (STI)/Industrial Tool Installation (ITI) plan review service for building permit process (for office, R&D, and industrial tool projects)
- Implement a process for self-certification for building plan review and inspections to reduce staff workload and create more efficiency for city processes. The City is creating a “Best Prepared Installer” Program to streamline inspections and “Best Prepared Designer” Program to streamline plan review.
- Adding walk-in capacity for specific Permit Center services. (Related to FY23/24 recommendation #2 to increase customer satisfaction and communication)

Planning and Permitting Transition Committee Roster / Acknowledgements:

1. Councilmember Dev Davis, Council Co-Chair
2. Councilmember Sergio Jimenez, Council Co-Chair
3. Ted McMahon, Developer, Community Co-Chair
4. Melanie Griswold, Hestia
5. June Tran, Crema Cafe
6. Rosalynn Hughey City, City of San Jose
7. Chris Burton, City of San Jose
8. Reyad Katwan, Republic Urban Properties
9. Andrea Osgood, Eden Housing
10. Paul Ring Urban, Catalyst
11. Tony Mirenda, Blach Construction
12. Kate Conley, Architects FORA
13. Alison Love, General Contractors
14. Ephrem Yosef, Walia Ethiopian Cuisine
15. Jeff Current, Studio Current
16. Chad Nguyen, LPMD Architects
17. Daniel Warren, Warren Design
18. Mark Knudsen, Kier & Wright
19. Terry Pries, Hill Point Development and Construction
20. Shelley Doran, Webcor Builders
21. Tony Arreola, DAL Properties
22. Janikke Klem, Consultant
23. Matthew Visick, Reuben, Junius & Rose
24. Shawn Milligan, Milligan Land Company
25. David Bini, Building Trades Council
26. Elizabeth Kamya, IFPTE Local 21
27. Dan Mountsier, PINIQN Property Co.
28. Aaron Fenton, Boston Properties

Mayoral Transition Committees "Glossary"

Goals:

Each committee has a mandate that includes the **goals** of the committee. For example, the goals of the community safety committee are to (1) increase pedestrian and traffic safety, and (2) reduce street level crime and improve the felt experience of safety for residents and small businesses. In meetings, we've also used the words "pillar", "north star", and "mandate".

Outcomes:

The transition committees are going to start by discussing what success looks like from a holistic community impact or state of well being perspective. We can think of these as **outcomes**. To give an example, the Community Safety Committee may decide that one of their outcomes is "San José residents feel safe anytime, anywhere in San José" or "San José residents feel safe walking in their neighborhood."

Recommendations:

The Committees will spend the second and third committee meetings generating **recommendations**. Each Committee will produce 3 - 5 recommendations for the upcoming budget cycle, and 3 - 5 recommendations for the longer term (within the next two years).

The recommendations will also have a success metric attached but Committee members are not expected to define actual specific targets for these success metrics. Recommendations may or may not be specific to a particular City program or service. For example, stricter enforcement of speeding in heavily trafficked intersections or increasing the number of traffic calming solutions may be specific recommendations from the Community Safety Committee. Each transition committee will rank their recommendations in order of which they think will have the biggest impact on their goal and outcome.

Success Metrics

Outcomes and recommendations should be measurable via a **success metric** such as a community indicator, which is a performance measure that quantifies trends affecting outcomes (the well-being of communities). Success metrics are typically expressed as a rate or percentage and can be disaggregated by race and location

to identify disparities and and take action to close the disparities. To give an example, an outcome may have the success metric “the percentage of San Jose residents who feel safe anytime anywhere in San Jose.” The goal is to identify both the outcome and the recommendation success metrics so the City does not become overly focussed on measuring a particular program or service that is not ultimately improving the higher level outcome. When an outcome is not clear or cannot be readily measured, other program or service level performance measures may be used as proxies. For example, a proxy success metric for pedestrian and traffic safety might be a reduction in the crash injury rate. Committee members are not expected to define actual specific targets for these outcome metrics.

Product:

The **product** of the transition committees will be 15 - 25 recommendations for the upcoming budget cycle, and 15 - 25 recommendations for the longer term.

The budget cycle recommendations will feed directly into budget prioritization over the course of two council meetings. In the first council meeting, Councilmembers will provide a public **readout** of the committee recommendations. In the second council meeting, Councilmembers will rank outcomes across all the transition committees. The Administration will use the ranked strategies from Council and the product from the transition committees as inputs in the normal budget process.