

Development Services Review

Morgan Hill, California

By

Zucker Systems
Paul Zucker, President
Brad Remp, Executive Vice President, CBO
Mary Blais, Planning Director



3038 Udall St.
San Diego, CA 92106
(619) 260-2680 and 619-804-1769
www.zuckersystems.com
paul@zuckersystems.com

July, 2016

Table of Contents

I. EXECUTIVE SUMMARY	1
A. BACKGROUND	1
B. KEY PRIORITY AREAS	1
1. FINANCIAL ISSUES	1
2. MANAGEMENT ISSUES	2
3. PERFORMANCE STANDARDS	2
4. PROCESS ISSUES.....	3
5. STAFFING ISSUES	3
6. TRAKiT	4
II. BACKGROUND AND PURPOSE.....	7
A. THE CONTRACT	7
B. BACKGROUND	7
C. AREAS OF STRENGTH	8
D. FINDINGS AND RECOMMENDATIONS	9
III. ISSUES FOR ALL FUNCTIONS	17
A. CUSTOMER SERVICE SURVEYS.....	17
B. EXPEDITED PLAN REVIEW.....	18
C. FINANCE ISSUES	18
D. OFFICE SPACE.....	22
E. ORGANIZATION	23
F. TECHNOLOGY	26
G. TELEPHONE COVERAGE	30
H. TRAINING	31
I. WEBSITE.....	31
IV. BUILDING DIVISION	35
A. PROFILE	35
B. POSITIVE POINTS/AREAS OF STRENGTH	40
C. ORGANIZATIONAL ISSUES	40

D. PROCESSING ISSUES.....	60
V. ECONOMIC DEVELOPMENT DIVISION	63
A. PROFILE	63
B. POSITIVE FINDINGS	65
C. ORGANIZATION ISSUES.....	66
VI. ENGINEERING DIVISION/PUBLIC WORKS DEPARTMENT.....	71
A. PROFILE	71
B. POSITIVE FINDINGS/AREAS OF STRENGTH	74
C. ORGANIZATIONAL ISSUES	75
D. PROCESSING ISSUES.....	79
E. POLICY ISSUES.....	80
VII. PLANNING DIVISION	83
A. PROFILE	83
B. POSITIVE FINDINGS	91
C. ORGANIZATION ISSUES.....	92
D. POLICY ISSUES.....	114
F. PROCESS ISSUES	121
VIII. EMPLOYEE PERCEPTIONS	155
IX. CUSTOMER PERCEPTIONS.....	157
A. MAYOR AND CITY COUNCIL PERSPECTIVE	157
B. FOCUS GROUP ONE	159
C. FOCUS GROUP TWO.....	161
D. CUSTOMER EMAIL SURVEY.....	163

List of Tables

Table 1 Table of Recommendations	9
Table 2 Appropriations and Projected Revenues Related to Development Activities, 206 Fund FY 15-16	19
Table 3 Development Services Web Features	33
Table 4 Building Division Staffing.....	39
Table 5 Recommended Performance Standards for Building Division	41

Table 6 Building Division Staff FY10/11 to FY14/15	56
Table 7 Economic Development Division Staffing	64
Table 8 Economic Development Activities	65
Table 9 Land Development Engineering Staffing	74
Table 10 Recommended Plan Review Turnaround Times	76
Table 11 Approved Planning Division Staffing.....	86
Table 12 Current Planning Application Activities.....	87
Table 13 RDCS Allotment Activities	88
Table 14 Preliminary Review Activities.....	89
Table 15 Building Permit and Business License Review Activities	90
Table 16 5-Year Building Permit Review Activity	90
Table 17 Long Range Planning Activity	91
Table 18 Planning Division FTE Staffing Resource Levels for Last Six Fiscal Years ¹	105
Table 19 FY 15/16 Current Planning Case Processing Resources Applications Processed Per Planner Resource	110
Table 20 FY 15/16 Current Planning Case Processing Resources Applications Processed Per Planner Resource	111
Table 21 Decision Making Authority for Planning Division Applications	122
Table 22 Six Recent PA Applications Processed	150
Table 23 Suggested Performance Standards for Planning Applications (PA's).....	152

List of Figures

Figure 1 Methodology Overview	7
Figure 2 Community Development Organization.....	24
Figure 3 Building Division Organization	38
Figure 4 Relationship Between Demand and Resources	43
Figure 5 Proposed Building Division Organization	50
Figure 6 Public Works Development Engineering Organization Chart	73
Figure 7 Planning Division Organizational Structure.....	85
Figure 8 General Over-the-Counter Administrative Approval Process.....	124
Figure 9 Conceptual Plan Review (CPR) and Preliminary Plan Review (PPR) Process	126
Figure 10 Director Administrative Approval Process	131
Figure 11 Existing PC and CC Approval Processes	138
Figure 12 RDCS Milestone Steps Process Flowchart	147
Figure 13 Types of Applications Covered in the Survey.....	165
Figure 14 Types of Permits.....	166
Figure 15 Frequency of Working With the Process.....	167

List of Appendices

Appendix A	Persons Interviewed	170
Appendix B	Employee Long Questionnaire	174
Appendix C	Employee Short Questionnaire.....	184

I. EXECUTIVE SUMMARY

A. BACKGROUND

This study was initiated by the Morgan Hill City Manager with a contract dated June 24, 2015 and purchase order dated August 13, 2015 for an Operational Review of the Development Services Department.

B. KEY PRIORITY AREAS

This report includes 160 recommendations for improving Morgan Hill services. While all the recommendations are important, we believe there are six key areas or groupings that need the highest priority. These are shown alphabetically below in no particular order of priority.

1. FINANCIAL ISSUES

Findings

Morgan Hill, like many California cities has to keep a keen eye on budget and finance issues. During the recession the Community Development activities had to reduce staffing. Now that the economy is improving, some of the functions have not rebuilt staffing and performance has suffered. The city does have an excellent approach to funding development activities out of a special revenue Community Development Fund (Fund 206) and General Plan Update Fund (Fund 207). There is also a goal to have a 30% reserve account but the current fund balance does not meet this standard. Additionally, we believe a target of 30% may be too low. The City's approach to fees is full cost which is excellent and a new fee study is currently underway.

Recommendations

To correct financial issues, we suggest:

- The 206 Community Development Fund includes some “common goods” activities that should be included in the General Fund, Recommendation 7; and
- The fee study underway should include funds as needed to implement this report, meet performance standards and increase the size of the reserve account, Recommendations 8, and 9.

2. MANAGEMENT ISSUES

Findings

Contemporary organizations have discovered the productive power of empowering employees, which is also consistent with the technology age. We found management issues, as well as a need for more proactive management and staff empowerment in all three of the key development functions, building, engineering, and planning. All three divisions have a tendency for micro management.

Recommendations:

- Senior Engineer should delegate more decision making authority, Recommendation 76;
- Generate monthly performance reports in planning, Recommendation 95;
- Empower the planners, Recommendation 116;
- New building official to have good management and leadership skills, Recommendation 32; and
- There should be regular meetings between planners and engineers, Recommendation 112.

3. PERFORMANCE STANDARDS

Findings

Best practice communities use performance standards to meet customer expectations and to assist in staff management. Morgan Hill has only established performance standards for the building function, but they have generally not been met. The national standard for building inspections is that they are conducted no later than the next day requested. Morgan Hill has had a delay as long as two weeks.

Both engineering and planning have lacked performance standards. For the planning function, the city has had an approach to hire an outside consultant at the applicants' request to facilitate the process (e.g. expedited review). However, even for the expediting type process, there is no performance standard.

The new TRAKiT permitting system, will allow an easy way for the divisions to set and monitor performance standards.

Recommendations

This report includes a variety of recommendations addressing and setting performance standards. Key recommendations include:

- Adopt specific performance standards for building, Recommendation 28, 29, and 30;
- Meet next day inspections at least 90% of the time, Recommendation 28;
- Create and expedited review process that meets performance standards, Recommendations 5 and 119;
- Use consultants as necessary to meet performance standards, Recommendations 34;
- Adopt performance standards for engineering, Recommendation 77;
- Performance standards should be met at least 90% of the time, Recommendation 29,
- Set performance standards for contractors, Recommendation 82; and
- Adopt performance standards for planning, Recommendation 130, 137, 149, and 160.

4. PROCESS ISSUES

Findings

The customers to the city development process have a variety of complaints about the process. They see new requirements being added for subsequent reviews, and staff suggested standard conditions that may not actually apply to the specific project. Many best practice communities see the development process as a partnership between the city and the applicants. As such they invite the applicants to the staff review meeting, DRC, which is not the case in Morgan Hill.

Recommendations

- Do not add new requirements during each review, Recommendation 13;
- Create fillable computer forms for all submissions, Recommendation 108;
- DRC to use only standard conditions that actually apply to the project, Recommendation 134; and
- Invite applicants to DRC meeting, Recommendation 146;

5. STAFFING ISSUES

Findings

The city has not been meeting acceptable performance standards, at least partially due to lack of staffing, particularly in the Building Division and likely in the Engineering

Division. Since the development community is paying for the processing through the fee structure and the 206 Fund, it should be possible to provide adequate staff to meet performance needs. The city has had good experience with using consultants to supplement staff, and properly used, consultants can help the city avoid employee layoffs during the next down cycle of activity. Finally, there are a number of areas where staff has not met building certification industry standards.

Recommendations

- Add staff for the Geographic Information (GIS) function, Recommendation 19;
- Building Official to be a certified Building Official, Recommendation 32;
- Building Inspector Supervisor to be ICC certified, Recommendation 33;
- Combination Inspectors to be ICC certified, Recommendation 35;
- Chief Plans Examiner to be ICC certified, Recommendation 38;
- Add 6-month contract for fire plan review/inspector, Recommendation 45;
- Adjust staffing levels to meet service demands and adjust staffing levels more frequently than budget cycles, Recommendations 52, and 54;
- Use TRAKiT to review and adjust staffing needs, Recommendation 79; and
- Add contract staff as needed to meet staffing needs, Recommendation 80.

6. TRAKiT

Finding

The city has had a permitting system, Tidemark, but it has not been fully utilized and is out of date. A new TRAKiT system has been selected, and its installation is underway. We have had experience with this system and feel the city has made a good selection. The new system will allow for Internet plan applications, electronic plan check, electronic files, and the use and monitoring of performance standards. These systems take considerable effort to implement and we have seen many failures due to the lack of sufficient staff resources, management or staff buy in. Morgan Hill needs to expand its effort in this area.

Recommendations:

This report includes numerous recommendation related to the TRAKiT system. A few of the key recommendations include:

- Use TRAKiT to monitor performance standards, Recommendations 6;

- Use TRAKiT for plan reviews, Recommendations 12, 91, 92, 93, 128, 136, 148, 157, and 158;
- All departments involved in development review to be part of the TRAKiT system, Recommendation 15;
- Provide adequate staff or consultants to implement TRAKiT, Recommendations 16, 17, and 18;
- Integrate Code Enforcement into TRAKiT, Recommendation 40;
- Incorporate engineering standards into TRAKiT, Recommendation 78; and
- Scan old files to TRAKiT, accept all electronic files, and new files to be stored in TRAKiT Recommendation 100, 101, 102, and 133.

II. BACKGROUND AND PURPOSE

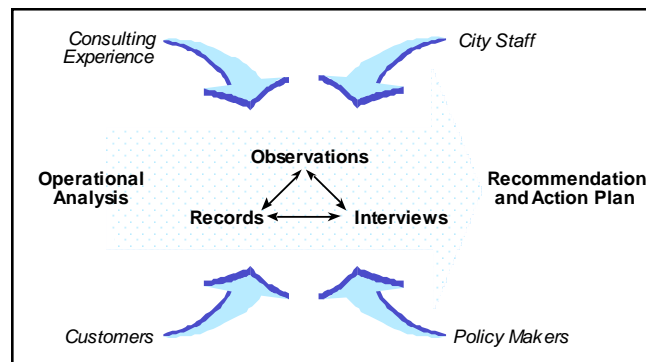
A. THE CONTRACT

This review was initiated by the City of Morgan Hill for a Development Services Review. The process started with an RFP with responses due by July 31, 2015. Zucker Systems was selected in September and a contract was signed October 15.

B. BACKGROUND

Zucker Systems used a proprietary well-tested, integrated methodology for this study, as shown in Figure 1. We brought our extensive experience to the study, worked closely with staff, and solicited input and observations from customers and policy makers. The methodology is built on interrelating records, observations, and interviews. Each is necessary for valid studies. National research has shown that each one of these three—if relied upon exclusively—can be subject to substantial error. For example, record systems are often found to be as high as 50% in error, or the wrong things are measured. We used observations and interviews to verify records. Records and interviews were used to verify observations. Records and observations were used to verify interviews. Each group of people, shown in Figure 1, was an important part of the process.

Figure 1
Methodology Overview



Specific activities conducted for this study included the following:

- Two customer focus groups of applicants;
- Interviews with Mayor and City Council members;
- Interview City Manager;
- Interview with 30 city staff;

- Review of two employee questionnaires;
- Review of email survey to customers; and
- Zucker Systems staff spent time in Morgan Hill November 16, 2015 and January 26, 27, and 28, 2016.

C. AREAS OF STRENGTH

We have highlighted various areas of city strengths in the detailed chapters of this report. A few overview specifics are outlined below:

- Morgan Hill is moving ahead with the new TRAKiT permit system, which is a good software selection for the city;
- Management created a productive blending of staff, supplemented with consultants;
- Development fees have been isolated in a special revenue fund, (e.g., fund);
- Collocation of building, engineering and planning staff;
- Building Official is a Certified Building Official (CBO) and ICC Building Inspector with 30 years' experience in Morgan Hill;
- Building Division utilizes combination inspectors to achieve greater efficiency;
- Building Inspector being trained to assume Fire Plans Examiner/Inspector responsibilities within the Building Division;
- The Code Enforcement program was recently audited by outside consultant;
- The City offers incentive pay to encourage employees to obtain additional job related certifications;
- Senior Civil Engineer has 26 years of experience with City of Morgan Hill;
- Staff strives to provide excellent customer service;
- The City is in the final stage of completing the Morgan Hill 2035 project, which encompasses a comprehensive update of the City's General Plan, Zoning Code and Residential Development Control System;
- A Station Area Planning Grant was awarded for planning work in the Downtown;
- Two of the regular full-time Senior Planners have considerable tenure (e.g., one 26 years and the other 10 years) and helped to preserve the Division's institutional knowledge;
- The Planning Permit Fee Schedule is currently being updated to reflect 100% full cost recovery, which is a best practice.

- Staff has prepared marketing materials identifying key development opportunities to facilitate acquisition and/or development of economically important areas in the City, which are available on the City’s website; and
- Staff is drafting an Economic Blueprint, which is an Action Plan that will identify a vision and set clear strategies to develop jobs and facilitate place-making for the city of Morgan Hill over the next 5 to 10 years.

D. FINDINGS AND RECOMMENDATIONS

Opportunities for Improvement

Opportunities for improvement are described throughout this report.

Table 1 summarizes the 160 recommendations and opportunities for improvement. To assist the reader, each summarized recommendation is cross-referenced to the page on which the supporting text appears. Although all of these recommendations are important, each was given a priority number in order to help the City with implementation. There are 53 priority number one recommendations, 82 priority number two recommendations and 25 priority number three recommendations. We assume that existing staff will implement many of the recommendations and the cost, except for new staffing, generally should be absorbed through greater efficiency.

To further help the City and departments in implementation, we have also coded all the recommendations. “Phase One Actions” are recommendations, which we believe should be completed in the first nine months. “Phase Two Actions” we believe should be completed within 18 months.

There are 111 Phase One Action recommendations. Some of these are given priority 1, 2 or 3. However, that does not mean that only the priority 1 recommendations should be addressed. There are 49 Phase Two Action recommendations. The departments should develop a detailed implementation plan with time targets for these recommendations.

For each recommendation, we also indicate a responsible party for implementation.

Table 1
Table of Recommendations

#	Recommendation	Responsibility	Page	Priority	Phase One Actions	Phase Two Actions
1.	Agree on an implementation plan	City Manager and Assistant City Manager	16	1	X	

#	Recommendation	Responsibility	Page	Priority	Phase One Actions	Phase Two Actions
ISSUES FOR ALL FUNCTIONS						
2.	Customer surveys for all counters	City Manager	17	2	X	
3.	Send surveys to customers after project completion	Assistant City Manager and Community Development Director, and City Engineer	17	2	X	
4.	Make results of all customer surveys available to staff	All managers	17	2	X	
5.	Create expedited review process that meets performance standards	Assistant City Manager	18	1	X	
6.	Monitor expedited review in TRAKiT	Assistant City Manager	18	1		X
7.	General Fund to support common good activities in Fund 206	Assistant City Manager and Finance Director	20	1		X
8.	Fee study to reflect added staff to implement this report	Assistant City Manager	21	1	X	
9.	Expand size of Fund 206 reserve	Assistant City Manager and Finance Director	22	2		X
10.	Consider moving some staff out of Development Services Building	City Manager	22	2		X
11.	Develop comprehensive records management program	City Manager	23	2		
12.	Use TRAKiT system for plan reviews	All plan reviewers	25	1	X	
13.	Review second cycle plan reviews to see that new items that should have been in first cycle are not added	Plan review supervisors	25	1	X	
14.	TRAKiT to include all items listed above	City Manager	26	1	X	
15.	All departments involved in development review to actively participate in TRAKiT	City Manager	27	1	X	
16.	TRAKiT team to continue until all modules are in place	City Manager	28	1		X
17.	Retain part-time staff hired for TRAKiT until program is fully in place	City Manager	28	1	X	
18.	Hire additional staff and consultants as necessary to implement TRAKiT	City Manager	29	1	X	
19.	Hire GIS specialist	Assistant City Manager	29	2		X
20.	Create information sheet for staff answering phones	Assistant City Manager	30	2		X
21.	Create special phone number for field staff	Assistant City Manager	30	2		X
22.	Modify message on main phone line	Assistant City Manager	31	2	X	
23.	Prepare report on the phone system	Assistant City Manager	31	3	X	
24.	All phone calls and emails to be returned the same day received	City Manager	31	2	X	
25.	Set 2% of the divisions personnel budget and 5% of employees' time for training	Building, Engineering, and Planning managers	31	2	X	
26.	Add features to website	Assistant City Manager	34	3		X
BUILDING DIVISION						
27.	Delete out-of-date language in code cycle	Building Official	37	2		X

#	Recommendation	Responsibility	Page	Priority	Phase One Actions	Phase Two Actions
28.	Adopt performance standards	Building Official	42	1	X	
Organizational Issues						
29.	Meet performance standards at least 90% of the time	Building Official	43	1	X	
30.	Retain quality reviews in meeting performance standards	Building Official	44	1	X	
31.	Transfer annual performance evaluations to Building Inspector Supervisor	Building Official	44	2	X	
32.	Building Official to be a CBO with good leadership skills	City Manager	44	1		X
33.	Building Inspector Supervisor to be ICC certified for plan review	Building Official	45	1		X
34.	Use contract plan checkers and inspectors to meet performance standards	Building Official	46	1	X	
35.	Combination Inspectors to be ICC certified	Building Official	46	1		X
36.	Adjust inspection schedules for complex projects	Building Official	47	2	X	
37.	Support training programs for ICC certification	Building Official	47	2		X
38.	Chief Plans Examiner to be ICC certified and problem solver	Building Official	48	1	X	
39.	Adopt performance standards for code enforcement	Building Official	48	1	X	
40.	Integrate code enforcement into TRAKiT	Building Official	48	1	X	
41.	Post monthly code enforcement activity reports on website	Building Official	48	3		X
42.	Modify staff meetings	Building Official	49	2	X	
43.	Adopt new organization chart	Building Official	50	2	X	
44.	Review compensation and job title for Building Official	Assistant City Manager	51	2		X
45.	Add 6 months to contract for fire plan review/inspector	Assistant City Manager	51	1	X	
46.	Fire plan reviewer to participate in Fire Prevention Association	Assistant City Manager	52	3	X	
47.	Up-date job descriptions	Human Resources Department	52	3		X
48.	Add revision date to all job descriptions	Human Resources Department	52	3		X
49.	Show performance standards statistics on website monthly	Assistant City Manager	53	2		X
50.	Program TRAKiT reporting categories	Assistant City Manager	53	2		X
51.	Scan plans upon plan approval	Building Official	54	3		X
52.	Adjust staffing levels to meet service demands	Building Official	56	1	X	
53.	Meet next-day inspection at least 90% of the time	Building Official	57	1	X	
54.	Adjust staffing levels more frequently than budget cycles	Assistant City Manager	57	1	X	
55.	Use fee study to develop work units	Building Official	57	2	X	
56.	Monitor workload of Fire Plans Examiner position	Building Official	58	2	X	

#	Recommendation	Responsibility	Page	Priority	Phase One Actions	Phase Two Actions
57.	Support training classes for building staff	Building Official	58	2	X	
58.	Cover cost of ICC certification renewals	Building Official	58	2	X	
59.	Monitor staff training re CEUs maintenance	Building Official	59	3		X
60.	Allocate at least 2% of personnel budget for training	Building Official	59	2		X
61.	Weekly training for inspectors and permit technicians	Building Official	59	2	X	
62.	Create opportunities for staff to lead training	Building Official	60	2	X	
Processing Issues						
63.	Develop rules for addressing	Building Official	60	2		X
64.	Reconcile conflicting addresses	Information Systems	60	2		X
65.	Inspection activity reports to be part of TRAKiT	Building Official	61	2	X	
66.	Use anticipated inspection time rather than number of inspections for inspector assignments	Building Official	61	2	X	
67.	Post inspection schedules on website	Building Official	62	2	X	
68.	Building inspectors to call 30 minutes prior to arrival	Building Official	62	2	X	
ECONOMIC DEVELOPMENT DIVISION						
69.	Confirm equipment needs for economic development	Assistant City Manager	66	2	X	
70.	Update economic staff job descriptions	Human Resources Department	67	3		X
71.	Create handout re how to start a business	Economic Development Manager	67	3		X
72.	Economic development staff to attend Community Development meetings	Economic Development Manager	67	3	X	
73.	Provide Excel training for EDD staff	Assistant City Manager	68	2	X	
74.	Improve economic development web pages	Economic Development Manager	69	3		X
75.	Conduct annual economic development workshops with the Planning Commission	Economic Development Manager	69	3		X
ENGINEERIN DIVISION/PUBLIC WORKS DEPARTMENT						
Organizational Issues						
76.	Develop plan for Senior Civil Engineer to delegate decision making authority	Public Works Director	75	1	X	
77.	Adopt same performance standards as planning and building divisions.	Public Works Director	76	1	X	
78.	Incorporate engineering standards into TRAKiT system	Public Works Director	76	1	X	
79.	Review TRAKiT reports to adjust staffing needs	Senior Civil Engineer	77	1	X	
80.	Add contract staff to meet staffing needs	Public Works Director	77	1	X	
81.	Monitor contracts to determine full-time staffing needs	Public Works Director	77	2		X
82.	Set performance standards for contractors	Public Works Director	78	1	X	
83.	Create in-house engineer training program	Sr. Civil Engineer	78	2		X

#	Recommendation	Responsibility	Page	Priority	Phase One Actions	Phase Two Actions
84.	Create an interpretation manual	Sr. Civil Engineer	78	2		X
85.	Cross train engineers	Sr. Civil Engineer	79	3		X
Process Issues						
86.	Develop list of counter inquiries for Engineering Aides	Sr. Civil Engineer	79	3		X
87.	Expand training for Engineering Aides	Sr. Civil Engineer	79	3		X
88.	Remove engineer's workspace from direct line-of-sight of public	Sr. Civil Engineer	80	3		X
89.	Engineer of the Day to be available when the counter opens	Sr. Civil Engineer	80	2	X	
Policy Issues						
90.	Seek consistency in design specifications with other jurisdictions	Sr. Civil Engineer	81	3		X
PLANNING DIVISION						
Organization Issues						
91.	Include number and duration of staff reviews in TRAKiT	Community Development Director	92	1	X	
92.	Collect data on applicant response time in TRAKiT system	Community Development Director	92	1	X	
93.	Performance standards to be tracked in TRAKiT	Community Development Director	93	1	X	
94.	Update Residential and commercial status reports on-line	Community Development Director	93	2		X
95.	Generate monthly performance reports	Community Development Director	93	1	X	
96.	Determine computer up-grade or replacement needs	Community Development Director	93	2	X	
97.	Show expedited fees on fee schedule	Community Development Director	94	2		X
98.	Fee for preliminary plan review to include Planning Commission and Council reviews	Community Development Director	95	2	X	
99.	Expand email storage capacity	Community Development Director and IT	95	2	X	
100.	Scan old files for TRAKiT access	Community Development Director	96	2		X
101.	TRAKiT to accept all existing electronic files	Community Development Director	96	1	X	
102.	New files to be stored in TRAKiT	Community Development Director	96	1		X
103.	Use out-card systems for files	Community Development Director	96	3	X	
104.	Update all handouts	Community Development Director	97	2	X	
105.	Update Architectural and Site Plan Review handout	Community Development Director	98	2	X	
106.	Create hyperlink to Architectural Review Handout	Community Development Director	98	3		X
107.	Include flowcharts in filing requirements handouts	Community Development Director	98	3		X
108.	Create fillable forms for submittals	Community Development Director and IT	98	1	X	
109.	Correct all handouts re electronic submittals	Community Development Director	98	2		X
110.	Update job descriptions for Planning Division	Community Development Director	99	3		X

#	Recommendation	Responsibility	Page	Priority	Phase One Actions	Phase Two Actions
		and HR				
111.	Include agenda items for Tuesday weekly meeting	Community Development Director	100	3	X	
112.	Regular meetings between planners and engineers	Community Development Director and Public Works Director	100	2	X	
113.	Clean and organize cubicles visible from public realm	Community Development Director	101	3	X	
114.	Ensure that counter computers are in good working order	Assistant City Manager	101	2	X	
115.	Consider changing title for the Community Development Director	City Manager	102	2	X	
116.	Empower the planners	Community Development Director	104	1	X	
117.	Create staffing model using fee study data	Community Development Director	112	2		X
118.	Training for Central Reception function to filter calls	City Manager	113	2	X	
Policy Issues						
119.	Establish performance standards for expedited review	Community Development Director	115	1	X	
120.	Distribute PC packets 7 calendar days before the meeting	Community Development Director	117	2	X	
121.	Planning Commission to work toward electronic materials	Community Development Director	117	2		X
122.	Bi-annual joint study sessions between PC and City Council	Community Development Director	118	2	X	
123.	Identify training needs for Planning Commission	Community Development Director and PC chair	118	2	X	
124.	Provide presentation training for planners	Community Development Director	119	3	X	
125.	Update policy and procedures manual	Community Development Director	120	2		X
126.	Provide weekly updates to staff on Zoning Code update	Community Development Director	120	2	X	
127.	Document and communicate code interpretations	Community Development Director	121	2	X	
Process Issues						
128.	Include Preliminary Plan Review process in TRAKiT	Community Development Director	126	1	X	
129.	Reject incomplete applications	Community Development Director	127	2	X	
130.	Develop performance standards for Conceptual and Preliminary Plan review	Community Development Director	127	1	X	
131.	Assign project assignments to Senior Planner	Community Development Director	127	2	X	
132.	Transmit DRC comments by email	Community Development Director	128	2	X	
133.	DRC comments to be documented and stored in TRAKiT	Community Development Director	128	1	X	
134.	DRC to only use standard conditions that actually apply to the project	Community Development Director and DRC members	128	1	X	
135.	Create worksheet for DRC comments	Community Development Director	129	2	X	
136.	Include Director Administrative Approval process in TRAKiT	Community Development Director	131	1	X	
137.	Develop performance standards for	Community Development Director	132	1	X	

#	Recommendation	Responsibility	Page	Priority	Phase One Actions	Phase Two Actions
	Administrative Approval process					
138.	City to do label preparation and envelopes as part of TRAKiT process	Community Development Director	132	2	X	
139.	Don't send Administrative Approvals to DRC	Community Development Director	133	2	X	
140.	Project planner to attend DRC meeting	Community Development Director	134	2	X	
141.	All DRC members to attend meeting	City Manager	134	2	X	
142.	Schedule DRC two weeks after submittal	Community Development Director	135	2	X	
143.	Use structured agenda for DRC meetings	Community Development Director	135	2	X	
144.	Develop an annual DRC schedule	Community Development Director	135	2	X	
145.	Use TRAKiT system to route DRC materials	Community Development Director	135	2	X	
146.	Invite applicants to DRC meetings	Community Development Director	136	1	X	
147.	Establish 15-minute wait standard for front counter	Community Development Director	137	2	X	
148.	Planning Commission and City Council approval process to be in TRAKiT	Community Development Director	139	1	X	
149.	Establish performance standards for Planning Commission and City Council approval process	Community Development Director	140	1	X	
150.	TRAKiT to provide templates for staff review and standard correspondence	Community Development Director	140	2	X	
151.	Project planners to complete initial studies	Community Development Director	141	2	X	
152.	Project planners to complete Negative Declarations for projects with no significant impacts	Community Development Director	141	2	X	
153.	For projects where impacts can be mitigated, staff to determine if consulting assistance is needed	Community Development Director	141	2	X	
154.	Consultants to continue to prepare Environmental Impact Reports	Community Development Director	142	2	X	
155.	Edits to staff reports to be completed by planner who prepared the report	Community Development Director	143	2	X	
156.	Consultations to take place where Director and staff differ on recommendation	Community Development Director	143	2	X	
157.	RDCS process to be included in TRAKiT	Community Development Director	147	1	X	
158.	Business licensing process to be in TRAKiT	Community Development Director and Finance Department	149	1	X	
159.	Review if building inspectors can do planning inspections	Community Development Director and Building Official	150	2		X
160.	Set performance standards for planning applications as shown in the report	Community Development Director	153	1	X	

Before the City begins implementing this study, we suggest that it take the following action.

1. *Recommendation:* The City Manager and Community Development Department should have:

- An agreed-upon timetable and work program; and
- Costs estimates and method of funding.

The Community Development Department, and Public Works Department already have many important tasks they are undertaking and may find the 160 recommendations overwhelming. However, as improvements take place and staff becomes empowered to change, the City may be surprised at how fast implementation can occur.

III. ISSUES FOR ALL FUNCTIONS

A. CUSTOMER SERVICE SURVEYS

Customer surveys are routinely used by both public and private entities to solicit feedback from their customers on the quality of the services that are being provided. When properly designed, a survey can solicit important information that can be gathered in no other way. Frequently, it is the customer that identifies the need for the jurisdiction to offer a new service. Often this recommendation is provided because a customer has taken advantage of some service that was provided by another (competing) jurisdiction. The City of Morgan Hill does not currently have the basic type of customer service survey program that we are accustomed to seeing at nearly every development services department we have studied. Generally, we see comment cards available at multiple public counters and prominently displayed on the community's website. One of the best practices we have seen in some progressive communities is the jurisdiction's efforts to send customer service surveys to permit customers after their project has been completed. Some permit customers are reluctant to provide meaningful feedback while their projects are still being reviewed, asking for feedback after the project has been completed can provide insightful comments about not only interactions with staff but, also recommended changes to the process.

- 2. *Recommendation:* The City Manager should direct Departments to develop and implement a customer service survey to be available at every public counter and on the City's website.**
- 3. *Recommendation:* The Assistant City Manager for Community Development, and the City Engineer should create a program to send customer service survey forms to permit holders after their project has been completed.**

The use of customer service surveys generates both positive and negative results. We frequently see management focus considerable attention on addressing negative comments and virtually ignoring the opportunities that positive comments can have on an organization when those comments are shared in the proper setting. Stories of employees providing extraordinary customer service can prove inspirational to others who are asked to work in a challenging environment.

- 4. *Recommendation:* Managers should make both negative and positive feedback gathered from customer service surveys available to all levels of the organization.**

B. EXPEDITED PLAN REVIEW

Our focus group meetings with industry representatives throughout the country have consistently expressed strong interest in having the ability to have their projects expedited through the plan review and approval process. They often recognize that this is an extraordinary service for which they expect to pay a premium. For many communities, the ability to offer expedited plan review is perceived to be a significant enticement to attract desirable commercial projects into their community. The City of Morgan Hill does not offer a comprehensive program that would include expedited review by staff in all of the participating departments.

We are aware that developers have been advised they can expect a more rapid review of their planning applications if they agreed to have the review work performed by an outside planning consultant for an additional fee. This process is discussed in more detail in the Planning section of this report; however, it is not being offered by staff from the Building Division or Public Works/Engineering. We recommend that the City establish an Expedited Review program that would apply to all Departments participating in the review process. Jurisdictions that successfully offer this type of service structure the program so that it does not impact the normal flow of applications by securing additional resources through staff overtime or the use of outside consultant staff. To be truly effective, it is essential that projects be closely tracked to help insure that the expedited performance standard is being achieved.

5. ***Recommendation:*** The Assistant City Manager should work with the City Engineer, Community Development Director, and Building Official to create an Expedited Review Program that guarantees reduced processing times in exchange for a fee premium.
6. ***Recommendation:*** Projects participating in the Expedited Review Program should be closely monitored in the TRAKiT system to confirm that expedited performance standards are being achieved.

C. FINANCE ISSUES

Overview

Development related activities are supported primarily from the Community Development Fund (206) and the General Plan Update Fund (207). These funds are described in the FY 15-16 budget as follows:

Community Development Fund (206)

The Community Development Fund is a special revenue fund used to account for the collection of planning, building, and engineering fees. The expenditures of these funds are restricted to the costs associated with processing building, engineering and planning applications.

General Plan Update Fund (207)

The General Plan Update Fund is a special revenue fund established to account for the costs of updating the General Plan. The update has been funded by a surcharge on all planning and building permit fees and by transfers from various funds: General, Park Development Impact, Community Development, Redevelopment, Housing, Sewer, and Water. The expenditures are restricted to costs incurred for the General Plan update.

We commend the City for the way in which the Annual Budget clearly sets forth the philosophy that development should be required to pay appropriate development fees to offset the cost of the service being provided.

The building, engineering, and planning functions are funded in a special 206 Fund. A percentage of permit fees is transferred to a General Plan 207 Fund. The intent is that these are full cost recovery services funded by fees, which is a best practice.

Community Development Fund 206

Since the fees should normally relate to actual development services, an argument could be made that certain division expenditures should be funded by the General Fund. This would include the code enforcement function which is part of building, the CIP function, public counter and flood plain management which are part of engineering, environmental programs which are part of building and engineering and the various Community Development department accounts related to CDBG, housing, and redevelopment. Table 2 shows the budgets and projected revenues related directly to development fee revenues and the 206 Fund. We have deducted Environmental Projects, Code Enforcement, CIP, and the General Plan Update from the budget to show what cost recovery would be if these items are covered by the General Fund rather than development fees.

Table 2
Appropriations and Projected Revenues Related to Development Activities, 206
Fund
FY 15-16

Function	Budget	Env. Proj	Code Enf.	CIP	GP Update	Net Expense	Revenue	% Recovery
Building	1,464,792	28,466	133,162	-	-	1,303,164	2,477,376	190%

			*					
Engineering	780,865	28,456	-	260,288 **	-	492,121	896,127	182%
Planning	2,500,756	-	-	-	130,923	2,369,833	1,292,307	55%
Total	4,746,413	56,922	133,162		130,923	4,165,118	4,665,810	112%

*Based on 1 of 11 staff positions. **Based on 3 of 9 positions.

As can be seen in Table 2. Both Building (190%) and Engineering (182%) exceed 100% full cost recovery and Planning is less than full cost at 55%. This distribution is not unusual and many developers actually tend to prefer this distribution. We believe that all three taken together at 112% meet the full cost recovery goal. Nevertheless, it appears that Planning fees should be increased. As pointed out in this report, there is need for some increased staffing, particularly in Engineering as well as needed revenue to build the reserve account.

The City's desire to recover all of the costs associated with development through fees is an admirable goal, but we question if it can, or should be, fully achieved. We believe there are instances when the General Fund should provide supplemental funding because the service being provided represents an activity that promotes the greater good of the community. An example of an appropriate General Fund subsidy would be Code Enforcement and long range planning. The engineering function is also in Fund 206 even though some of this staff work on CIP projects, public counter and floodplain management. This cost should be pro-rated back to each of the relevant CIP projects or the General Fund.

7. *Recommendation:* The budget for development related departments should include some portion of General Fund dollars to support common good activities for which a full cost recovery fee is inappropriate.

Fees

Our numerous studies throughout the country have revealed a consistent attitude expressed by developers that they are more interested in short timelines and clear, consistent processes than the cost of permits. The permit fees are a very small part of the project. This attitude, however, is not universally shared by developers when the subject changes to development impact fees. We will confine our comments to permit related fees.

The City is currently in the process of having a consultant (NBS) prepare an updated fee study to validate that the fees being collected for various development related activities are generating the revenue necessary to cover the cost of those services. We

strongly support the need for jurisdictions to periodically conduct fee studies to confirm the appropriateness of their fee schedule. Though we are working with limited information about the scope of the fee study, we are concerned that the effort may only be designed to justify the fees that are currently being charged based on the current staffing levels.

Throughout this report we have identified programs that are not meeting the performance standards that we believe represent best practices. Improving performance in many situations will require the addition of staff resources, either as full-time employees or contract staff. The fee study underway should include sufficient detail to allow the City to easily make adjustments to reflect the actual full cost of not only the current level of staffing but also the additional staffing that will be required to meet the desired performance standards.

8. *Recommendation:* The fee study currently underway should include sufficient detail to allow City staff to make adjustments as necessary to reflect the addition of the staffing resources that will be needed to meet appropriate performance standards.

Reserves

The City shall make every effort to keep a minimum reserve level of 30% of the appropriated operating budget for the Community Development Fund, in order to provide for those temporary periods when less development activity occurs and less revenue is collected by the City.

We used to have a rule of thumb that the target for the reserve account should be three (3) months or 25% of the normal operating budget. However, as part of a contract with Calgary, Alberta, Zucker Systems did a detailed analysis for possible down cycles similar to those experienced in the United States. As a part of that analysis we concluded that a better rule of thumb would be a reserve equal to 12 months of the normal budget. Based on our recommendation Calgary increased its reserve account for development activities from \$30 million to \$60 million. We understand that the city policy has been to top out reserves at 30%.

The 206 Fund balance at the end of FY 14-15 is \$\$3,738,706 and the budget for FY15-16 at \$4,687,920. The net operating expenses, as shown in Table 2, total \$4,165,118. Assuming that 100% of the fund should be available for operating expenses, leaves a projected balance of \$500,692 or the equivalent of 12%.

The high level of permit activity the City is currently experiencing, coupled with the anticipated increase in fees from the revised fee study, represents an opportunity to gradually increase the size of the Community Development Fund 206. Building a reserve is best done during a time of high development activity, which is the current

case. Building the reserve should be part of the fee study and we suggest that a target be to build the reserve to 12 months over a 10-year time frame. This means that the fee study should include \$373,870 per year to be designated for the reserve fund.

- 9. *Recommendation:* The City should pursue developing a reserve of 100% of the normal operating budget for the Community Development Fund over the next ten years.**

D. OFFICE SPACE

The City's original plan called for the development services related departments to be collocated within the building currently designated as the Development Services Building. Through a number of decisions made in response to the severe economic downturn the City experienced starting in 2008, the Development Services Building became the location for virtually all City Hall offices. This allowed the City to save money by "mothballing" the main City Hall building. Since the City has been experiencing a general economic recovery and an explosive increase in residential construction, the space in the Development Services Building has become very crowded. Development Services personnel have frequently been forced to use the floor space in an exit aisle way as a workspace to prepare plans for permit issuance. In addition, the benefits to be gained by closing the original City Hall building have been minimized due to renovations and the relocation of housing staff from an off-site location into that building. We believe the City Manager should consider relocating those staff members that are unrelated to the development services mission back to the original City Hall Building.

- 10. *Recommendation:* The City Manager should consider moving staff unrelated to the development services mission back to the original City Hall Building.**

If the City Manager determines that this is not the appropriate time to relocate staff back to the City Hall Building, then steps should be taken to improve the physical environment in the Development Services Building. Our walking tour through the office space in the Development Services Building provided abundant evidence of a lack of organization in those spaces presumably intended to be used by multiple staff. Nearly every horizontal surface was cluttered with plans, documents or files with no evidence of organization. We also observed that the overfilled file cabinets are now beginning to be replaced by file boxes in exit aisle ways. This arrangement not only makes it difficult for employees to work, but also contributes to the frustration staff experiences when attempting to retrieve files. The City needs to aggressively implement a formal records management system that includes digitizing and indexing all pertinent documents. Currently the Building Division is engaged in a program of

scanning documents and plans in recognition of both the need to conserve valuable office space and to prepare for the day when these documents will be available to the public through the soon to be implemented TRAKiT permit system. Ironically, it is the Building Inspectors who have had to move their workstations into the exit aisle ways because all other space has been occupied by staff or file cabinets.

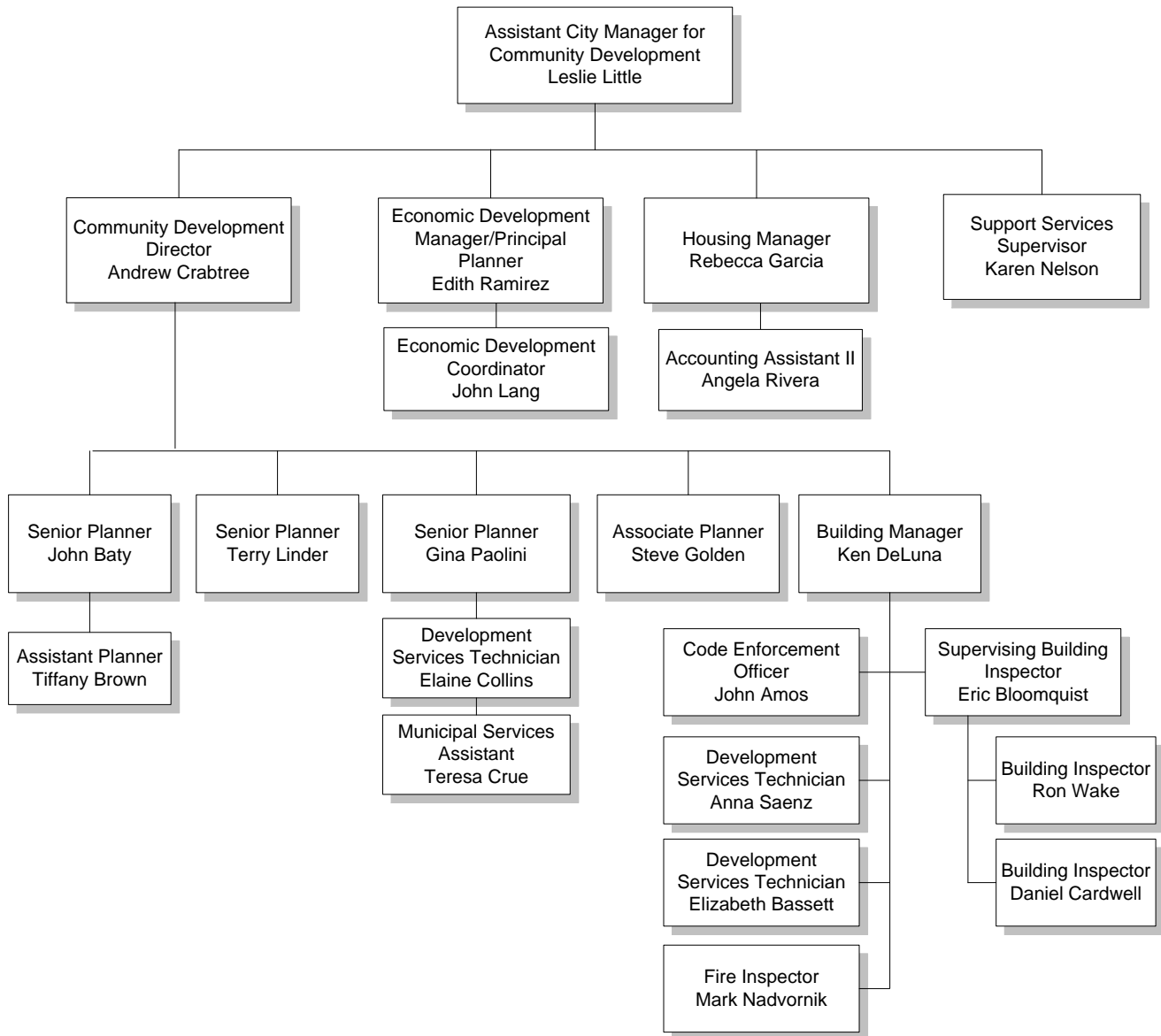
11. *Recommendation:* The City Manager should direct that a comprehensive records management program be implemented that includes the digitization and indexing of records.

E. ORGANIZATION

The Community Development function is headed by an Assistant City Manager for Community Development. Reporting to the Assistant City Manager are a Community Development Director, Economic Development Manager, Housing Manager and Support Services Supervisor as shown in Figure 2.

The Community Development Department consists of 17 positions headed by a Community Development Director. The Building Division consists of 9 positions headed by a Building Manager. Others involved in Morgan Hill development consists of four positions in the Public Works Department, a Director of Public Works, Senior Engineer for Development, Associate Engineer, and Junior Engineer.

Figure 2
Community Development Organization



Plan Review Completeness

When we spoke with industry representatives their single most significant complaint was the lack of plan review quality that they were paying for. Those with a long history of working in the jurisdiction have come to expect that, regardless of what they do, they should anticipate that their plan submittals will be returned several times with minor corrections to be made, only to have the later submittals identify major corrections that were on the original plans but not detected until after numerous checks. While the developers were most vocal about this problem occurring with their interactions with Land Development Engineering staff, employee surveys suggest that this is a “culture” that has been accepted in many of the Departments. Land Development Engineering staff has indicated their efforts to obtain comments on the plans that they distribute to other Departments rarely come back with meaningful comments and in many cases are not returned at all. We are optimistic that in the future these requests for review will be tracked for both timely turnarounds and meaningful comments with the implementation of the TRAKiT system.

12. *Recommendation:* Departments that are charged with the responsibility to solicit comments from other Departments on plan submittals should utilize the TRAKiT system for electronic reviews and to foster accountability among the participants.

We believe it is the responsibility of all supervisors to confirm that all plan reviews are comprehensive based on the amount and quality of information submitted on the plans. We are aware that sometimes plan corrections will be necessary based on new information provided during subsequent resubmittals. What customers find unacceptable is to have new corrections identified during resubmittals based on information that was available during the initial submittal. Supervisors should routinely review correction lists that were generated from plan resubmittals to confirm that new corrections are not being added when those corrections should have been identified on the original submittal.

13. *Recommendation:* Plan Review supervisors should routinely review correction lists generated from plan resubmittals to confirm new corrections are not being added that should have been detected during the original review.

F. TECHNOLOGY

TRAKiT Permit System

The City of Morgan Hill has undertaken the challenging task of implementing a comprehensive permit tracking system to be utilized by all of the departments currently involved in the development review, permit issuance and inspection approval processes. Currently, the City is using a permit software system developed by Tidemark that was initially installed approximately 10 years ago. While this system provided an impressive level of features that were consistent with the level of technology available to cities at the time of initial implementation, the system has not been periodically upgraded and therefore the system is no longer capable of providing the features that we and the public have come to expect from a community that strives to represent the government's "best practices."

The City has purchased a new software permit system called TRAKiT and has contracted to have the system installed and maintained by Quartic Solutions. A review of the purchasing agreement indicated to us that the City has done a diligent job in evaluating their future needs and it appears that the software they have purchased has the capability of substantially increasing the scope and quality of the services they will be able to provide to their customers. The features of the TRAKiT system that we strongly endorse as representing best practices include the following:

- Program will integrate the permitting operations of Planning, Building, Fire and Public Works/Engineering;
- Afford public access to permit records;
- Allow customers to submit and track permit processing on-line;
- Allow staff to organize and access permit data to support the land entitlement process;
- Enhance staff ability to generate reports and/or respond to data requests for both internal and external customers;
- Program will be fully integrated with the City's existing website and GIS program;
- Afford inspectors access to permit information and plans while in the field through the use of tablet computers; and
- Allow the submittal and review of digital plans (electronic plan review).

14. *Recommendation:* The new TRAKiT systems should include all the items outlined above.

In our studies we have observed numerous jurisdictions that have undertaken the process of implementing significant upgrades to their existing permit software systems or installing a new system. Some jurisdictions have completed this challenging task and achieved their desired system-wide improvements while others have been disappointed with the outcome and are still struggling to utilize even the most basic features of their new system. Based on our interviews with staff and the vendor's representative, we have concerns that the City may ultimately be disappointed with the outcome of this implementation.

We are not suggesting that the vendor has not performed their responsibilities to date; in fact, we are impressed with the level of guidance that has been provided to staff in the form of both verbal and detailed written documentation and/or questionnaires. Our concern arises from the lack of follow-through by some staff in completing their assignments to provide information and to adequately test the software the vendor has customized to meet the City's previously identified goals. The City has an extraordinary opportunity to build a system that will not only improve the services provided to its customers but also a system that will be the cornerstone of interdepartmental communication.

Frequently we observe cities with departments that suffer significant communication breakdowns. We refer to these departments as "silos" because they behave as though they are more interested in preserving their turf than working with other departments to solve problems. In our studies we have seen how a fully integrated permit system can be the link that binds all of the participating groups together. By having the system routinely monitor compliance with established performance standards and by making the process more transparent to the customer, greater communication and accountability can be achieved.

When the current Tidemark permit system was implemented 10 years ago the only group that put forth the effort to learn and utilize the system was the Building Division. The system provided many useful tools to the Building Division, but its capabilities were never fully realized because other Departments failed to contribute through their nonparticipation in the use of the system. If the City wishes to avoid repeating that mistake it may be necessary for the City Manager to compel all of the designated Departments and Divisions to actively participate in the testing and implementation of the new program.

15. *Recommendation:* The City Manager should continue to reinforce the need for all Departments involved in the development review process to actively contribute to the implementation of the new TRAKiT System.

The City has purchased not only the basic software program but also several "modules" that will further increase the number of services that will be made available to the public. The current philosophy is to get the basic program fully

functional before aggressively implementing the additional “modules”. We concur that this is a reasonable approach to help ensure that the features currently available to customers are not lost during the transition process to the new system. However, we have seen many cities that use this approach falter in their efforts to implement the additional enhancement. For many staff members they feel as though this project has introduced a significant burden to the workload they are already being asked to carry.

With the implementation of the first “basic” phase of the new system, there will be a tremendous temptation for some staff to refocus their attention on other projects that have been previously sidelined rather than continue to diligently pursue implementation of the additional enhancements.

The team that has been created from individuals of each participating Department and Division should not be disbanded once the initial implementation phase has been completed. Staff that has been retained for the explicit purpose of providing relief so that these experts from each section could participate in the team efforts should not be immediately reassigned or relieved. Our experience has shown that there will still be a significant amount of fine-tuning, including creating reporting systems for performance standards, that will need to be completed. Prematurely disbanding this team will likely result in significant loss of the momentum necessary to achieve the ultimate goal of implementing all of the desired modules.

16. *Recommendation:* The internal TRAKiT Implementation Team should be retained to facilitate fine-tuning of the basic program and implementation of the numerous enhancement modules.

17. *Recommendation:* Full-time and part-time staff assigned to perform the day-to-day work of TRAKiT Team members should not be reassigned or dismissed until the additional software modules have been successfully implemented.

One of the most apparent issues we observed during our interviews was the difficulty the designated in-house project manager for the TRAKiT system, an Associate Planner, was experiencing in allocating sufficient time to focus attention exclusively on moving forward with the system’s implementation. This individual is apparently expected to handle a planning caseload, manage the Geographical Information System (GIS) and act as the project manager for implementing the TRAKiT system. We have participated in many cities installing new permit systems. One of the biggest issues we experience is the lack of appropriate high-level staff to lead and manage the effort. We believe Morgan Hill needs to reinforce the needs to provide either additional staff or consulting service to assist with TRAKiT implementation.

18. *Recommendation:* Additional staff or consultants should be available as part of implementing TRAKiT.

Geographical Information System (GIS)

In numerous studies that we have conducted, we have observed one of the greatest indicators of an organization's overall effectiveness is the degree to which the Geographical Information System has been fully integrated into each Department's operations. These progressive organizations have recognized the importance of using the GIS system to both record property related activities and as a tool to help guide future land development decisions. The GIS system currently in use in Morgan Hill has tremendous potential, however, its features are not being actively utilized by staff. The program is being supported primarily by an Associate Planner in the Planning Division, as time permits. This responsibility is in addition to the individual's assignment as the primary coordinator for the implementation of the TRAKiT permit system and the expectation that the employee will also carry a caseload of planning applications. Through our interviews with Department staff and confirmation from Information Systems support staff, the GIS database has not been updated for nearly five years. This lack of attention to the critical maintenance of a system that will be integral to the effective implementation of the new TRAKiT permit system represents a significant problem. It is apparent to us that insufficient resources are being dedicated to the maintenance and expansion of this program. The Assistant City Manager for Community Development has indicated that the City is considering adding a position that would be dedicated to supporting the expanded use of the GIS system. We support the need for such a position.

19. *Recommendation:* The Assistant City Manager should pursue adding a GIS specialist position to maintain and enhance the use of the existing GIS.

Electronic Plan Review

A feature included with the new TRAKiT permit system will be software that can be used to facilitate the review of plans submitted electronically. This software (Blue Beam) will allow each group participating in the review process to markup and comment on their designated layer of the electronic plan. This should assist the designer by having all comments readily visible and coordinated among the Departments/Divisions that reviewed the plans. As the City moves in the direction of creating a "paperless" office, it is important to recognize that some computer hardware upgrades will be required to better handle the anticipated influx of digital documents and plans. Each Department should determine if existing equipment, such as computer monitors, are adequate to support digital plan review. Some of our clients use 40 inch screens, others a two screen set-up with at least one being 30 inches.

Many jurisdictions that have successfully transitioned to digital plan reviews have found it necessary to upgrade computer monitors and several have located dual monitors in workspaces to improve efficiency. As noted in the “Planning” Chapter below, the City has budgeted for larger equipment monitors to facilitate plan review.

G. TELEPHONE COVERAGE

Interviews with staff and comments from customers expressed frustration about the frequent problem of having telephone calls transferred to a staff person that cannot answer their specific question. There appears to be such a strong emphasis placed on transferring the customer quickly that insufficient time is being devoted to confirm the call is being sent to the proper person. By asking appropriate questions and having sufficient knowledge of the various Department and Division’s operations the person charged with the responsibility to answer the phones should be able to transfer the caller to the appropriate staff person. Many jurisdictions have created a “cheat sheet” that summarizes the types of functions that are performed by the various Departments and Divisions. This information is provided to any staff person responsible to answer phones as an aide to help them insure they are transferring the customer to the proper location. Staff advises that such an information sheet existed at some time in the past but is no longer available. We recommend such an information sheet be developed and distributed to all staff charged with the responsibility to answer public phones.

20. *Recommendation:* The City Manager should create an informational sheet that summarizes the functions of each Department and Division as an aide to the Central Receptions function and staff answering customer phones to help insure calls are transferred to the proper staff.

There are some occasions when Inspection staff needs to contact specific office staff to obtain information critical to their assignment in the field. Inspection staff reported that frequently their efforts to contact the main office resulted in their calls going straight to voice mail. We recommend that a specific phone number be established for exclusive use by field staff to contact office personnel. Office staff responsible for answering calls should be alerted to treat such calls from the field as a priority and not simply allow them to go straight to voice mail.

21. *Recommendation:* Community Development should create a phone number to be used exclusively by field staff to contact the office and office staff should be directed to treat such calls as a priority.

Both customers and staff voiced complaints about staff’s inability to effectively manage the volume of telephone calls that come into the main line for Community Development. Many calls go directly to voice mail because a staff member is not

readily available to answer the phone. A further review of this problem revealed that many of these customers are calling and asking the same questions. Many jurisdictions have reduced the total number of these types of calls by modifying the Department's voice mail message to include a statement that encourages customers to access the Department's website page because it contains answers to many frequently asked questions.

22. *Recommendation:* The Assistant City Manager for Community Development should direct staff to modify the voice mail message on the Department's main line to encourage callers to check the Department's website site for answers to commonly asked questions.

Most contemporary phone systems provide for a comprehensive report with counting of hang-up, calls to voice mail, etc. The city should obtain this data for a review of the Community Development Division phone system.

23. *Recommendation:* Prepare and analyze a report on the Community Development phone system.

One of the key problems we hear from customers is the lack or return phone calls and emails on a timely basis. As part of the information age, we believe that all phone calls and emails should be returned the same day received

24. *Recommendation:* All phone calls and emails should be returned the same day received.

H. TRAINING

There is need for additional training in building, engineering and planning. This will be particularly important as this report is implemented and with the installation and use of TRAKiT.

25. *Recommendation:* Building, Engineering, and Planning should set a minimum of 2% of the Department's personnel budget allocated for staff training and that 5% of staff time be devoted to training.

I. WEBSITE

Today, more than ever before, customers access the website of local jurisdictions to gain knowledge about the operation of their local government. Frequently customers will inquire about the availability and process to follow to obtain a specific service.

Other customers want to stay informed about activities occurring within the City such as opportunities to participate in cultural or recreational activities. Still other customers want to actively participate in the process of providing their opinions to those elected and appointed individuals that are charged with the responsibility to make development related decisions. A well-constructed website can meet these customer expectations. The recommendations in this portion of the report generally apply to all of the Departments that participate in the development process. The table below list those features we believe should be included on the website and our understanding of the City's status in providing those features.

Table 3
Development Services Web Features

Typical Best Feature Features	Included	Partially Included Link Provided	Not Included
Announcements, News/Events	X		
Automated Email contact feature		X	
Comprehensive List or Link to all planning & development related fees		X	
Comprehensive Information page for Planning Commission, Hearing Schedules/Calendars Agendas, Minutes, Agenda Packets/Reports, including staff contact for project inquiries		X	
Comprehensive Staff Contact List with Automated email Contact Feature and pictures of staff			X
Credit Card Payment Options			X
E-government online application completion			X
Forms and Handouts		X	
Frequently Asked Questions Related to Planning, Building & Engineering Development		X	
Functional Statement, Mission Statement			X
Handouts/Applications for Land Use Mgt, Policy Planning		X	
How to Guides and flow charts		X	
Links to State & Regional Planning, Zoning and Building related agencies		X	
Links to Municipal Code, Zoning, Subdivision Ordinance, Comprehensive Plan, other related regulations, plans, policies	X		
Major Project List (i.e., recently approved, on-going projects) for both Land Use Mgmt. (Current) and Policy (Future) Planning			X
Office Location, Hours, Map/Directions to Offices		X	
Online Submittal of Land Use Management Plans/Permits, Applications			X
Organization Structure Chart			X
Performance Standards with compliance status			X
Permit Tracking			X
Public Notifications Displayed		X	
Work Program for Department Posted			X
Zoning Map/GIS		X	

The home page of the City's website, while attractive, is difficult to navigate to retrieve information about various development processes. The entire site seems to have been designed around the concept of separating the functions of individual departments and divisions rather than highlighting the services that customers are likely to need and providing a path for them to follow to receive those services. It appears that customers are expected to try and guess which department, based on a list

of Departments, might provide them the services they seek. A website page that briefly explains the development process for most projects would provide better customer guidance and present the public with an image that the various Departments and Divisions work together to meet the customers' needs.

We are aware that information in several of the categories in the table above will change based on the full implementation of the TRAKiT system. Access to these features through a website portal will greatly improve the services to Morgan Hill customers.

26. *Recommendation:* The website for Departments participating in the development review process should be enhanced to provide the features identified in the table above.

IV. BUILDING DIVISION

A. PROFILE

Overview

The Building Division is a portion of the Community Development Department (CDD) and temporarily reports directly to the Assistant City Manager for Community Development in order to provide additional leadership during a time of high project volume. The Building Division serves the City of Morgan Hill by providing permit; plan review and inspections service through the enforcement of local and State Mandated Codes. All jurisdictions in California must enforce the minimum construction standards adopted by the State but have the option of adopting additional local amendments that are at least as restrictive as the State Codes. Additionally, the Building Division is also responsible for investigating and resolving code enforcement related violations of the various City adopted Codes.

Like most jurisdictions in the country, the City of Morgan Hill experienced tremendous change since the collapse of the residential construction market after 2008. Though the City had established a program intended to pace the rate of residential development to no more than 250 units per year, actual development during the recovery period was substantially less than the anticipated 250 units per year. In response to this significant reduction in permit activity the City was forced to undertake the painful process of eliminating jobs. The most significant impact on the building division was the loss of the Plans Examiner position. At this time the duties of the former Plans Examiner are being performed by the Building Official and the Supervising Building Inspector.

During the years when construction activity was substantially below the anticipated level of 250 units per year, the developers of those previously approved projects successfully obtained extensions of their projects and additional new projects continued to be allocated. As the overall economy improved and construction activity increased the City was faced with the challenge of not only providing services to support the anticipated 250 residential units per year but also the backlog of units previously approved. Staff reports that their permit volume has increased dramatically to approximately 1,400 residential units per year and commercial/industrial activity has also increased to represent approximately 20% of total permit activity. This increase in demand for services has resulted in the City's inability to provide plan review and inspection services at the level consistent with best practices. For example, the national standard is to provide next-day building inspections; Morgan Hill has had periods during their heavy construction months when inspections have been delayed by as much as two weeks. Similar delays have been experienced in plan review

turnaround times. This report will include recommendations for establishing and meeting performance standards that are consistent with best practices.

Given the challenges that the Building Division has faced during this recovery period, staff should be commended for the manner in which they have worked together to maintain their quality standards and a good working relationship with their customers. The results of our Customer Survey indicate a generally favorable opinion of the work performed by the staff in the Building Division. Our staff interviews revealed that they are aware of many of their current performance shortcomings and are committed to address them in the future through the implementation of many of the recommendations that will be contained in this report. The volume of recommendations contained in this report should not be interpreted as reflective of a poorly run organization that has not been striving to meet their customer's expectations.

Authority

Title 15 of the Morgan Hill Municipal Code adopts the State mandated 2013 Edition of the California Building Standards Code and California Code of Regulations, Title 24 Parts 1,2,2.5,3,4,5,6,7,8, 10, 11 and 12. In addition the City has adopted certain amendments and appendices contained in these Codes. A summary of the adopted Codes is provided below:

- Part 1: 2013 California Administrative Code;
- Part 2: 2013 California Building Code (Based on the 2009 International Building Code - IBC);
- Part 2.5: 2013 California Residential Code (Based on the 2009 International Residential Code - IRC);
- Part 3: 2013 Electrical Code (Based on the 2011 National Electrical Code NEC);
- Part 4: 2013 California Mechanical Code (Based on the 2012 Uniform Mechanical Code UMC);
- Part 5: 2013 California Plumbing Code (Based on the 2012 Uniform Plumbing Code UPC);
- Part 6: 2013 California Energy Code;
- Part 7: 2013 California Elevator Safety Construction Code;
- Part 8: 2010 California Historical Building Code;
- Part 9: 2013 California Fire Code (Based on 2012 International Fire Code);

- Part 10: 2013 California Existing Building Code (Based on 2009 International Existing Building Code – IEBC);
- Part 11: 2013 California Green Building Standards Code; and
- Part 12: 2013 California Referenced Standards Code.

Morgan Hill works closely with the Building Officials in the Santa Clara County region to avoid adopting numerous amendments to the building codes. This effort results in more consistent code interpretations across jurisdictional boundaries, which in turn reduces confusion for contractors and designers working in the region.

During our review of the City’s Code adopting ordinances we did identify two (2) areas of the Municipal Code that should be changed to better reflect the Building Division’s actual operations. Specifically, the procedure utilized to establish permit fees still references the use of valuation tables; the City no longer uses this approach in favor of a process that estimates the actual amount of staff time required to provide permit processing, plan review and inspection services. In addition, the adopting ordinance includes extensive language on sustainable building requirements. These requirements have been superseded by minimum State requirements that the City has adopted by reference. The Building Official has been made aware of these needed changes and has indicated the City’s intent to make the necessary changes in conjunction with the next Code adoption cycle.

27. *Recommendation:* The Building Official should propose deletion of language that is no longer consistent with their current operations during the next Code adoption cycle.

Basic Functions

The primary function of the Building Division is to support the overall development review and inspection process. Staff works daily with members of the commercial development community and homeowners to identify and resolve construction code related deficiencies. The process is designed to protect the public and property by ensuring that the minimum health and life safety standards are incorporated into all new construction. This is achieved by working in cooperation with other Divisions within Community Development and other Departments including Public Works-Engineering. Unlike many other jurisdictions in the country, the Building Division is also responsible for performing the plan review and field inspection responsibilities for confirming compliance with the Fire Code and investigating zoning and other related complaints. Also included within the Building Division is the work performed by the City Geologist.

The Building Division currently employs a total of ten (10) positions in a combination of full-time and part-time positions supporting the permit counter, plan review, field

inspection and code enforcement investigation activities. There are nine (9) full-time equivalent positions, one (1) part-time employee currently performing fire plan review and inspections and one (1) part-time employee providing back-up building inspections. In addition to these employees assigned to the Building Division, the Division also contracts for plan review services from the CSG Consultants, Inc. on a limited basis. The Assistant City Manager has indicated a desire to add a Plans Examiner position to the 2016-17 Budget. An Organization Chart depicting the current staffing levels is represented in Figure 3 below.

Figure 3
Building Division Organization



Organization

This Division reports to the Building Official who currently directly supervises the counter support staff while a Building Inspector Supervisor supervises the day-to-day activities of the inspection staff.

Table 4
Building Division Staffing

Classification	# of Positions (FTEs)	Responsibility
Building Manager/Building Official	1	Oversees the Building Division and serves as Chief Building Official. Reports to Assistant City Manager for Community Development.
Building Inspector Supervisor	1	Supervises all field inspection activity. Also performs minor plan reviews. Reports to Building Official.
Building Inspector	3.5	Performs inspections of building, plumbing, electrical, mechanical, energy and accessibility construction work. (Combination Inspections). Reports to Building Inspector Supervisor. One of these positions is being trained to assume Fire Code plan review and inspections.
Fire Plans Examiner (part-time)	.5	Performs fire plan reviews and field inspections. An experienced part-time employee is filling position currently. Responsibilities include mentoring Building Inspector to assume responsibility for the program. Position will be phased out when in-house Building Inspector is fully trained to assume these responsibilities. Reports to Building Inspector Supervisor.
Development Services Technician	2	Provides customer support at counter to intake permit applications and plans and respond to customer inquiries. Reports to Building Official.
Municipal Services Assistant	.5	Position provides clerical support to Division including records management (scanning), answering phones and counter backup. This position is currently providing critical backup to allow Development Service Technicians to actively participate in TRAKiT system implementation. Reports report to Building Official.
City Geologist	1	Provides expertise on evaluating the impact and mitigation of local geologic hazards as they relate to new construction.
Code Enforcement Officer	1	Investigates citizen complaints regarding zoning, dilapidated buildings, housing and other code enforcement related violations. This employee may also perform building inspections during peak levels of inspection requests. Reports to Building Official
Total FTE's	10.5	Current Staffing including part-time positions

B. POSITIVE POINTS/AREAS OF STRENGTH

- Building Division is actively pursuing replacement of outmoded Tidemark permit system with new TRAKiT software program with enhanced features;
- Building Official is a Certified Building Official (CBO) and ICC Building Inspector with 30 years' experience in Morgan Hill;
- Building Division utilizes combination inspectors to achieve greater efficiency;
- Few complaints from public stakeholders;
- Comprehensive list of public handouts;
- Building Inspector being trained to assume Fire Plans Examiner/Inspector responsibilities within the Building Division;
- Comprehensive Policies and Procedures Manual available to all staff;
- Building Official strives to minimize local code amendments and coordinates with neighboring jurisdictions for consistency;
- Division operates as a quasi-enterprise (206) fund with a conservative reserve;
- Division utilizes qualified former employees to work during peak periods;
- Code Enforcement program was recently audited by outside consultant;
- Building Permit Fees include fees to cover cost of long-range planning, technology enhancements and archiving of records;
- Building Official subjects applicants for building inspection positions to in-field testing prior to hiring decision;
- Building Division takes pride in insuring website information is current;
- Staff has some experience in performing plan reviews of electronic plan submittals; and
- The City offers incentive pay to encourage employees to obtain additional job related certifications.

C. ORGANIZATIONAL ISSUES

Building Division Performance Standards

Throughout this report we have referenced our belief in the importance of establishing and monitoring performance standards. In very simple terms, performance standards represent the agreement the City has struck with the community to provide a level of service in exchange for the fees that customers are required to pay. The City of Morgan Hill has not necessarily embraced the use of the term performance standards and has not invested significant effort in establishing and monitoring individual and

group performance. Interviews with upper management suggested that they were not averse to the idea of utilizing performance standards, but rather that previous attempts resulted in a system that focused on measuring activity levels rather than actual performance standards.

In other jurisdictions we have studied we have found a core number of performance standards that do a good job of representing the service levels that the community expects when they participate in the development process. In our studies around the country we typically recommend jurisdictions adopt performance standards similar to those in the table below. Note that for several categories we show optional numbers, which are shorter timelines. Given the issues of staffing and lack of a performance standard system, we believe the establishing more conservative standards is a good starting point and eventually it may be possible to switch to more aggressive standards. It should be noted that in 2010, the division set a standard of 5 days for medium plans and 10 days for major commercial plans. However, this turned out not to be operational standards and were generally not met.

Table 5
Recommended Performance Standards for Building Division

DESCRIPTION	PERFORMANCE STANDARD
Counter Initial Service	90% within 10 minutes of arrival
Answering Customer phone calls	90% within 3 rings
Returning phone calls from messages	90% returned same day
Employee Training Budget	2% of Annual Personnel budget
Customer Satisfaction Surveys	85% satisfied or better
Initial receipt and routing of plans	90% within 1 business day
Permit preparation for issuance after plan review approvals	90% within 2 business days
Plan Review - New Commercial Building - > \$1,000,000 valuation	90% within 20 business days (option 15)
Plan Review - New Commercial Building - < \$1,000,000	90% with 15 business days (option 10)
Plan Review - Commercial Tenant Improvements -	90% within 10 days (option 5)
Plan Review - Residential - Multifamily - > 20 units	90% within 15 business days

DESCRIPTION	PERFORMANCE STANDARD
Plan Review - Residential - Multifamily - < 20 units	90% within 10 business days
Plan Review - Residential - Single Family	90% within 10 business days
Plan Review -Residential - Single Family - Standard Plan	90% within 5 business days
Plan Review - Residential modifications	90% with 5 business days
Plan Review - Minor Permits (P/E/M/S)	90% Over the counter/online
Plan review rechecks	90% within 1/2 of previous turnaround time
Plan Review Quality Control	Monthly
Field Inspection Quality Control	Monthly for every Inspector
Field Inspection	90% next business day
Inspection Requests	Inspection requests can be received up to one hour before Inspector departs office
Inspector call to customer with Estimated Time of Arrival (ETA)	30 minutes prior to arrival

28. *Recommendation:* The Building Division should adopt the Performance Standards identified in the table above.

As referenced in the Technology section of this report, the City is in the fortunate position of being able to establish these performance standards in conjunction with the implementation of the TRAKiT permit system. The reporting capabilities of the system will grant management the ability to effectively track and report on the City's ongoing ability to meet these performance standards. The true value of establishing and monitoring performance standards lies in affording management the ability to balance resources against the constantly fluctuating demand for services. The performance standard should be visualized as a constant. Management's task is to adjust available resources in response to changing demands for service such that the performance standard can be maintained. The figure below helps illustrate this relationship.

Figure 4
Relationship Between Demand and Resources



In establishing performance standards, it is important to specify the degree to which the City is expected to attain the desired level of performance. Frequently we see jurisdiction initially establish a goal of achieving their performance standard on average (50% of the time). You will note in the table above that we are recommending performance measure targets be established based on the ability to achieve these results 90% of the time.

29. *Recommendation:* The Performance standards to be developed should be established to measure compliance based on achieving the result at least 90% of the time.

For all of the benefits we see in establishing performance standards, an inherent shortcoming is the potential for performance standards to be entirely focused on achieving quantitative goals. To be effective, a performance standard must include both quantitative and qualitative components. A common scenario we observe is that increases in service demands are initially met with the abandonment of qualitative measures. These steps typically take the following form:

- Elimination of both in-house and external staff training;
- Elimination of staff meetings;
- Elimination of quality control auditing programs;
- Assignment of supervisors and managers to perform staff work;
- Elimination or reduction in records management efforts;
- Information on public handouts and website becomes outdated; and
- Most phone calls go to voice mail and are not retrieved in a timely manner.

This is not an all-encompassing list, but rather examples of how the qualitative component of a performance standard can be eroded unless specific steps are taken to ensure that such components don't become sacrificed in the process of achieving "the numbers".

- 30. *Recommendation:* The process of establishing performance standards should include an affirmation that quality standards will not be sacrificed to meet quantitative goals.**

Building Inspector Supervisor Authority

Our individual interviews and the comments provided in the employee surveys strongly suggest that the Building Official is well respected for his technical knowledge and his approach to supervising staff. When we review the organizational structure of the Building Division, however, we find that the span of control of the Building Official includes virtually everyone in the Division. While the organization chart suggests that the Building Inspectors report through a Building Inspector Supervisor, many of the employee surveys indicated that the Building Inspectors believe they report directly to the Building Official. This perception is reinforced by the fact that the Building Official prepares each Building Inspectors Annual Performance Evaluation. The Building Official needs to clearly communicate to all of the staff that the Inspectors report to the Senior Building Supervisor and not directly to the Building Official. We are aware that the Building Inspector Supervisor has only about one year of experience in this new position and therefore may be reluctant to fully assert his authority. Given the ongoing challenges facing the Division and the anticipated new projects that our report will likely generate we strongly recommend that the Building Inspector Supervisor position assume all of the responsibilities commensurate with a supervisor position, including preparation of annual Performance Evaluations.

- 31. *Recommendation:* The Building Official should immediately transfer responsibility for preparing the annual Performance Evaluations of the Building Inspectors to the Building Inspector Supervisor.**

Building Official Succession Planning

It is entirely reasonable to assume that a newly hired Chief Plans Examiner would, given sufficient mentoring and management training, become a strong candidate for the position of Building Official when that position becomes vacant. When the Building Official position does become available the City should first and foremost be seeking an individual with both technical expertise and strong leadership ability. An approach to confirming the minimum level of technical expertise and an understanding of management practices that apply to the position of Building Official can be obtained by insuring candidates are recognized as a Certified Building Official (CBO) through a nationally recognized organization.

- 32. *Recommendation:* Future recruitment for the position of Building Official should include confirming recognition as a Certified Building Official (CBO) and evidence of strong leadership skills.**

Building Plan Review

Performing quality plan reviews is an essential first step in ensuring that a project is constructed in compliance with the City's adopted Codes. A failure to detect a significant code violation on the original plans can contribute to substantial delays and increased costs when that violation is discovered during the field inspection process. It is therefore appropriate that the staff performing the plan review function be qualified by knowledge and experience sufficient to provide expert plan reviews. Currently the City assigns plan review responsibilities to the Building Official and Building Inspector Supervisor for building plans and a part-time employee to perform Fire plan reviews. The City also has the ability to assign complex plan reviews to an outside consultant (CSG Consultants, Inc.), though few plans are sent out for review. With the implementation of the TRAKiT system, greater emphasis will be placed on the need to perform quality plan reviews within the established turnaround time standards. Having a variety of resources available to assign plan review tasks will significantly reduce the stress on existing resources.

Based on the Building Official's 30 years of experience and his possession of appropriate ICC Certifications, we have no reason to question the quality of the plan reviews that he is currently performing. Our focus is directed to the future. As discussed under the Organizational Issues section of this report, we strongly support the Assistant City Manager's decision to hire a qualified Chief Plan Examiner in the coming fiscal year. By confirming that the selected candidate is properly certified to perform plan reviews and is afforded the opportunity to participate in continuing education, we are confident that the Building Division will prosper from such an addition. If it continues to be the City's intent to utilize the services of the Building Inspector Supervisor to perform plan reviews, then suitable steps should be taken to encourage the employee to obtain certification as an ICC Certified Residential Plans Examiner. Language in the current job description for the Building Inspection Supervisor suggests that the position includes performing plan reviews but the Licenses and Certificates section of the job description does not state the need for a certification as a plans examiner.

33. *Recommendation:* Continued assignment of plan reviews to the Building Inspector Supervisor should be accompanied by a revision to the job description to reflect the need for ICC Certification as a Residential Plans Examiner.

Based on the Building Division's current inability to meet our recommended plan review turnaround times and next-day inspections, we recommend the Building Official take greater advantage of the availability of qualified outside consultant services (CSG) to perform plan reviews and inspections. Contracting for plan review services will afford the Building Official the much needed time to facilitate the implementation of the TRAKiT system and to implement the variety of

recommendations contained in this report. It is our belief that the cost of retaining these services has already been factored into the current permit fee schedule.

- 34. *Recommendation:* The Building Official should utilize the services of a qualified outside plan review consultant to help insure plan review turnaround times are achieved, and contract inspectors to make next day inspections.**

Building Staff Technical Qualifications

Critical to the effective enforcement of construction codes is staff's overall technical knowledge of plan review and inspection practices. The City of Morgan Hill utilizes the practice of employing inspection staff to perform combination inspections. The practice involves assigning inspectors to perform a variety of inspection types such as building, mechanical, plumbing, electrical, energy and accessibility inspections. In many larger jurisdictions inspectors perform these types of inspections with specialties in only one or two of these disciplines. This specialist approach is typically used in the inspection of commercial projects that tend to be more complex and deserving of a higher level of expertise. While these larger jurisdictions employ specialists for commercial work, many utilize a combination inspector approach for residential projects. We support the concept of using qualified combination inspectors for residential and minor commercial construction projects.

The City of Morgan Hill currently employs both full-time and part-time Inspectors to perform combination inspections on both commercial and residential projects. A review of the job description for the Building Inspector II position clearly states that employees in that classification shall possess ICC Certification as a Combination Inspector. During our on-site interviews it became apparent that not all of the Inspectors performing combination inspections have obtained such certification. We encourage the Building Official to establish and implement a plan that will bring all staff assigned to perform combination inspections into alignment with their job description. The Building Official should instruct the Building Inspector Supervisor to evaluate the need to adjust daily inspection assignments in order to ensure that complex projects are assigned to individuals who have demonstrated the ability to perform such work. In pursuing such a program, it is important that the City actively participate by continuing to authorize and reimburse staff for the costs of obtaining the appropriate training and periodic certification renewals (every three years).

- 35. *Recommendation:* Inspection staff assigned to perform combination inspections should obtain ICC Certification as a Combination Inspector.**

36. *Recommendation:* The Building Inspector Supervisor should adjust daily inspection assignments to confirm that appropriately qualified Inspectors are performing the more complex inspections.

37. *Recommendation:* The City should continue to authorize inspection staff to participate in the training necessary to achieve Certification as a Combination Inspector and pay for these training and periodic certification renewals.

Chief Plans Examiner

During our interviews we were also advised that the current Building Official was eligible for retirement and had taken recent actions to express a desire to do so. Based on feedback from the industry representatives we interviewed during our focus group meetings and through comments provided in the written customer surveys there is a high level of concern about how the Building Division may operate in the future under the guidance of a new Building Official. The current Building Official has over 30 years of experience with the City of Morgan Hill. This institutional knowledge will be very hard to replace. It is, however, incumbent upon the City to make appropriate plans to address this void when the current Building Official exercise his will to retire.

The Assistant City Manager has indicated a desire to recommend the Building Division hire a Chief Plans Examiner to both improve the plan review turnaround times and to potentially assume more managerial responsibilities that could prepare that individual for potentially assuming the Building Official position in the future. We support the need to have a Chief Plans Examiner to be available to closely monitor both the quantity and quality of plan review services being provided by in-house staff as well as those projects periodically reviewed by outside plan review consultants. We also support the idea of having a position available to be mentored on the full scope of responsibilities of the Building Official so that the current Building Official can be comfortable about taking his earned vacation leave (which is currently maxed out). In discussing this proposed position, the Assistant City Manager had proposed to require the position to be a Licensed Professional Engineer. We frequently see this type of minimum requirement for larger jurisdictions that have numerous licensed engineers and registered architects on their staff. Generally, these types of organizations also have the ability to pay considerable salaries to attract and retain the services of these professional engineers and architects.

Our experience with smaller organizations indicates that few jurisdictions require such a high level of qualifications. Some jurisdictions with such a requirement have discovered that they did not need someone with a professional license to be able to competently perform the responsibilities of a plans examiner. These jurisdictions instead confirmed the technical expertise of the Chief Plans Examiner by confirming the individual was an ICC Certified Plans Examiner in both residential and

commercial applications. It was realized that the need for professional engineering expertise was very rare and could be easily obtained on an as-needed basis through access to an outside consulting firm with in-house engineers. These jurisdictions also discovered that possession of a license as a professional engineer or registered architect did not automatically insure the individual possessed the managerial or communications skills necessary to effectively work with employees and customers. We would recommend the City focus their Chief Plans Examiner recruitment efforts on confirming the individual has minimum ICC Certifications and the type of personality that reflects a problem-solving attitude.

38. *Recommendation:* The Building Division should recruit a Chief Plans Examiner position based on appropriate ICC Certifications and a personality that reflects a problem-solving attitude.

Code Enforcement Activities

Morgan Hill employs one (1) full time Code Enforcement Officer under the direct supervision of the Building Official in the Building Division. We have seen many organizational arrangements for commercial and housing code enforcement programs. Being that the primary responsibilities of the program is to investigate and resolve code violations dealing with both zoning and building regulations, placing the program within the Building Division is an appropriate choice. This arrangement also allows the Building Official to assign the Code Enforcement Officer to perform building inspections during peak periods of inspection requests. The City recently contracted for a study of the Code Enforcement Program. At the time of our on-site interviews, this report was still in a draft form and not available for our review. Rather than potentially duplicate information that may be in that report we simply offer a few recommendations based on our limited review of the program

39. *Recommendation:* The Code Enforcement program should establish performance standards for responding to complaints and resolving complaints based on complexity.

40. *Recommendation:* The Code Enforcement program should be fully integrated into the new TRAKiT system to allow the sharing of information necessary to resolve construction related violations.

41. *Recommendation:* The Code Enforcement program should post monthly activity reports on the City website.

Communications

With highly reduced staffing levels it is common for organizations to make adjustments that are intended to provide efficiencies that help preserve those programs most visible to the public. Frequently this includes elimination of periodic group meetings with staff and other departments. The Building Official should be commended for his commitment to continue to conduct at least informal meetings with staff to confer on the status of on-going projects. However, while these types of stand-up meetings can be beneficial to avoid the trap of having overly long meetings where little productive work is accomplished, there are times when a more formal meeting setting is needed to insure important topics are addressed. We believe managers should meet in a more formal setting at least once a month to not only talk about the immediate pressing issues of the day but to also help reaffirm the overall direction of the organization. Periodically discussing progress on meeting the goals of the organization and emphasizing the mission will help staff align their daily activities with the direction that Council has provided through the City Manager. These meetings should include a pre-distributed agenda of topics to be discussed and should be managed to see that time is used efficiently and that all participants have an opportunity to contribute. Sharing information about the Division's progress in meeting performance standards can help all employees visualize how their efforts contribute to achieving the Division's goals and how those goals align with Council's direction. These types of meeting are particularly beneficial when supervisors and other employees can provide examples of work done by an individual within the group that truly exemplified the mission of the organization.

42. *Recommendations:* Monthly staff meetings should include pre-published agendas that provide opportunities to recognize staff accomplishments, share information from upper management and track progress in meeting established performance standards.

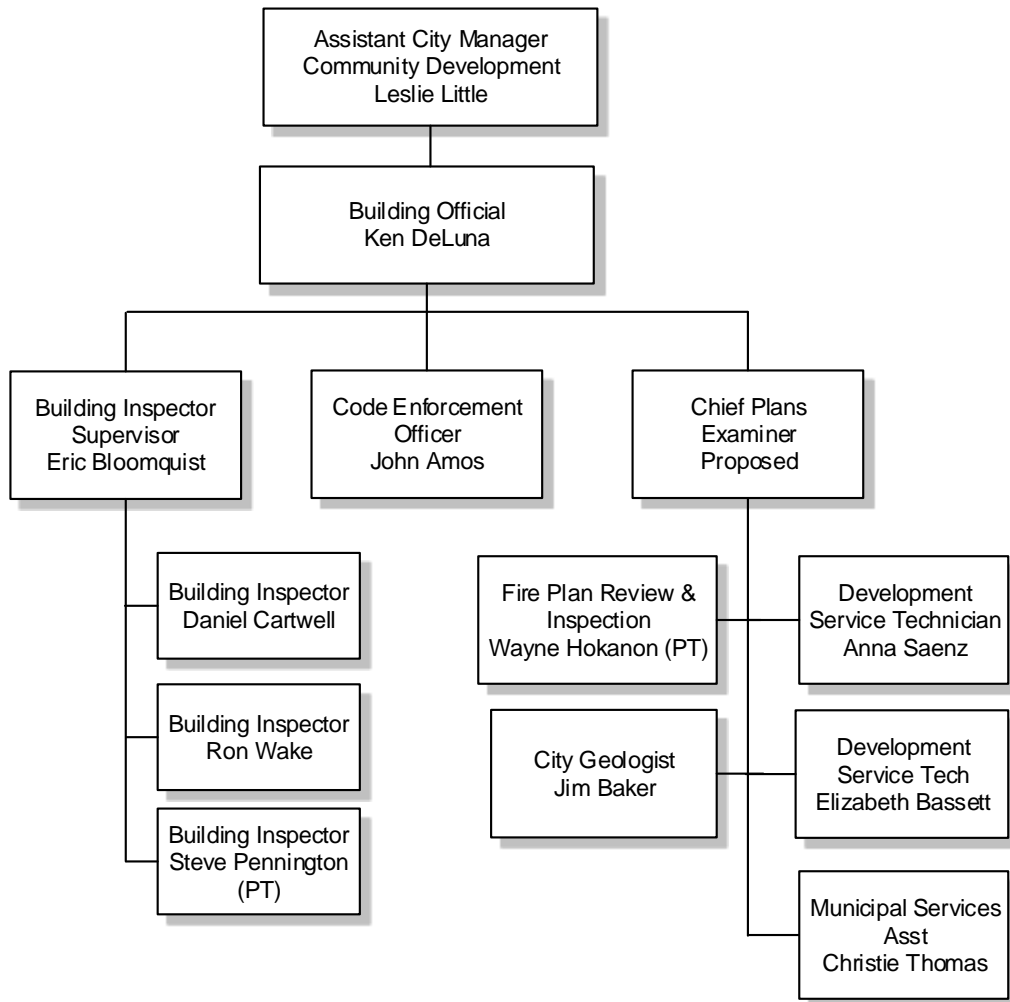
Division Reorganization

As stated previously, the current Building Official has a broad span of control that is inconsistent with best practices. The broad scope of responsibilities he has requires that his time be very limited to address the upcoming challenges that implementing the recommendations in this report will demand. Among the most significant challenges will be implementation of the new permit system and the many enhancement modules that will demand his attention as well as mentoring a new Chief Plans Examiner. We believe a more appropriate organizational structure can be found in the diagram below. The significant modifications to the existing structure is the reassignment of counter and clerical support staff to the newly created Chief Plans Examiner position along with the function of fire plan review and geologic reviews. This arrangement will allow the Building Inspector Supervisor to assume all of the supervisory responsibilities of that position and align the front counter operations with

the receipt and routing of plans under the direction of the Chief Plans Examiner. The code enforcement function would still report directly to the Building Official.

43. Recommendation: The Building Official should adopt the recommended organization chart identified below.

**Figure 5
Proposed Building Division Organization**



The original organizational chart that we were provided for the Community Development Department differs from the information we were advised to follow once we arrived onsite for interviews. The principal change to the organizational structure was temporarily realigning the organization to have the Building Official report directly to the Assistant City Manager for Community Development. Based on the issues we observed during our onsite interviews as well as physical observations of the various operations within the Community Development Department, we

support this change to the organizations reporting structure. To be generally consistent with the organizational structure of other departments within the City is it reasonable to assume that some other adjustments may be necessary relating to compensation and position titles. We are not in a position to make specific recommendations regarding those specific issues but feel comfortable in endorsing the change.

44. *Recommendation:* The recent organizational reporting change having the Building Official report directly to the Assistant City Manager should be accompanied by appropriate adjustments to compensation and job titles.

Fire Plan Review and Inspection

For many years the City of Morgan Hill contracted with the State Fire Marshal's Office for plan review and inspection services for new construction. Recently the City allowed that contract to expire in favor of having those services provided in-house by staff assigned to the Building Division. While this arrangement is not the norm in the industry, we have seen it successfully employed in several jurisdictions. When such a change in operations occurs there are legitimate concerns about the ability of the City to maintain the same level of quality and responsiveness that customers have come to expect. Based on our staff interviews and customer comments we believe the Building Division has implemented this change in an appropriate manner. By utilizing the part-time services of a highly experienced former employee of CalFire, they have initiated a program to fully train one of the existing Building Inspectors to assume these responsibilities in the future. The selected Building Inspector is not only benefitting from the mentoring provided by the part-time Fire Plans Examiner/Inspector but also has been enrolled in numerous off-site classes that have allowed him to gain the necessary expertise to become certified in the variety of specialties necessary to demonstrate competency performing both fire plan review and inspection activities. The Building Official has adopted a very rigorous schedule to have the Building Inspector assume all fire plan review and inspection responsibilities by July 1, 2016. This schedule might be too aggressive. We believe it would be appropriate to extend the current contract with the part-time fire plan review and inspection expert for an additional six (6) months in order to give the Building Inspector more time to benefit from the mentoring that still needs to occur.

45. *Recommendation:* The Building Official should extend the current contract an additional six (6) months with the part-time fire plan review/inspector expert to allow for additional mentoring for the Building Inspector assigned to assume these responsibilities.

Placing a single individual in charge of a new program, such as fire plan review and inspection, can be overwhelming unless that individual is afforded access to other professionals in the field that can be relied upon to provide expertise and advice.

Many individuals placed in such a position rely on relationships they have developed through participating in professional associations to help them gain needed perspective in dealing with new and unusual code enforcement challenges. We encourage City's to allow their staff to participate in professional associations and thereby gain additional insights in how other jurisdictions have exercised flexibility in solving difficult enforcement problems. Similar to International Code Council (ICC) local Chapters for Building Official, professional associations for Fire Prevention Officers exist in the region and should be considered as a resource for the Inspector assuming the fire plan review and inspection responsibilities for Morgan Hill.

46. *Recommendation:* The Building Inspector assigned to perform fire plan review and inspections should be encouraged to participate in the local chapter of the Fire Prevention Officers Association to gain perspective from other seasoned professionals.

Job Descriptions

A review of the various job descriptions for employees in the Building Division indicates that the documents have not been updated to reflect current titles of organizations that provide skill related certifications. The current Job Descriptions do not readily identify the date when they were last updated, but in the case of the Development Services Technician Job Description, the reference to ICBO Certification has not been appropriate since the three major code development groups merged into the International Code Council (ICC) in 1990. Human Resources should work with the Building Official to update any current job descriptions that still reference outdated terminology or organizational references. Additionally, job descriptions should readily identify when the document was last updated so that staff can be assured they are working with the most current description.

47. *Recommendation:* The Building Official should work with Human Resources Department to update current job descriptions to reflect proper terminology and references to organizations that provide professional certifications.

48. *Recommendation:* The Building Official should work with Human Resources to include a revision date on all job descriptions.

Performance Reporting

We have stressed throughout this report the importance of establishing and tracking performance standards to confirm services are being delivered at the level the community expects. We recognize that Morgan Hill does not currently have a system in place that identifies and tracks compliance with these community expectations. We believe the incorporation of performance standards into the TRAKiT permit system

will afford the City the opportunity to monitor and report on Department and Division performance in a real time arena. Aside from the obvious benefit that such a system provides toward establishing individual and group performance accountability, reporting of this information both internally and on the City website will help foster the need for team work to successfully meet the community's expectations.

49. *Recommendation:* Implementation of the new TRAKiT system should include the reporting of compliance with performance standards to both internal staff and external customers via the website at a minimum of a monthly basis.

In our efforts to develop a table to track activity levels for the last five years we accessed the City website. Unfortunately, this process proved tedious and time consuming and did not yield the information in the level of detail we needed. We find that community members like to enquire about the level of construction activity that the City is experiencing and how that information compares with previous years. That type of information is not readily available through the City website. As a minimum, the current process of selecting permit activity for a given month should include a summary of all activity grouped by type at the end of the report. We are confident that implementation of the new TRAKiT permit system will be capable of generating reports that summarizes permit activity based on type of permit and will include a year-to-year comparison.

50. *Recommendation:* The Building Official should confirm that the TRAKiT permit system will provide activity reporting grouped by permit type and include a feature to allow year-to-year comparisons.

Records Management

The Building Division has actively pursued the digitization of permits and plans as a means of making such documents more readily available to staff and the public in the future. Their diligent efforts have also helped slow the tide of accumulating paper files that is suffocating the employee workspaces and walkways. Unfortunately, the Building Division is the only group actively engaged in this digitizing process. An urgent need for such a program exists for both the Planning Division and Engineering Division of Public Works. The implementation of the new TRAKiT system will be further encouraging customers to submit their applications and plans in a digital format. This will create a community expectation that the City will be ready and able to interact with their customers in a digital format. More detailed recommendations will be provided elsewhere in this report regarding the need for other Departments to embrace the need to digitize their work products. However, there is a recommendation the Building Division should consider as they look to the future.

Currently Building Division staff scans plans and permits only after the project has received all required inspections and has been completed. Ideally with the implementation of the TRAKiT system to help locate permit records and the full utilization of the recently upgraded I Pad tablet computers by field inspectors, the Building Official should consider having staff begin the scanning process as soon as the plans have been approved by plan check. This type of operational change will afford the Inspector in the field the ability to directly retrieve the approved plans on his field computer. Additionally, the space currently reserved to store plans and permits for active projects could be repurposed for more beneficial use. While we are aware that some plan revisions can take place while the project is under construction, we don't believe the quantity of these changes, nor the process needed to quickly update the plans, would seriously jeopardize the program. Once the electronic plan check and process is in place, it will not be necessary to scan plans except in isolated cases.

51. *Recommendation:* The Building Official should establish a program to scan plans immediately upon plan review approval in order to make the digital copies available to Inspectors in the field during construction. Scanning will not be necessary once electronic plan process is in place.

Staffing/Activity Levels

We believe that a variety of activities should be measured in order to evaluate appropriate staffing levels. For the Building Division one of the key indicators is staff's ability to consistently meet established performance standards for plan review turnaround times and inspections. While we are aware the Building Official has created some basic performance standards for plan review turnaround times, the existence of those standards is not well known and no method currently exists to routinely report on compliance with these performance standards. We believe one of the greatest benefits that will be achieved from the implementation of the new TRAKiT system will be the ability to track this type of information not only for the Building Division but also for the other Departments and Division that participate in the review process.

Regarding staffing for building inspection, we generally find that trained inspectors can complete between 12 and 15 inspections per day per Inspector. These numbers can fluctuate based on excessive travel times or the complexity of projects. The projects in Morgan Hill are confined to a small geographic area and frequently multiple inspections are requested at the same location. In addition, most commercial projects are not highly complex. Though not confirmed through reports generated by their inspection tracking system, staff advised that their daily inspection workload falls within our recommended range. Information included in the current budget transmittal indicates that the number of inspections per day per Inspector has increased from an average of 14.3 in FY 13-14 to 15.4 in FY 15-16. Considering these

factors, we believe the number of inspections performed per day per Inspector is within the range that allows adequate time to perform a quality inspection. It appears that measures have been taken through their automated inspection request process to insure the daily workload does not exceed the number of inspections that staff can effectively perform. A byproduct of this arrangement, however, is that frequently customers cannot receive the required inspection on the day they need it because all of the available inspections for that day have already been allocated. This has resulted in some inspections being delayed by as much as two weeks during the busy summer months. Clearly this is unacceptable performance as it creates significant disruptions in the flow of construction projects. An apparent solution would be to simply modify the inspection request program to allow for a larger number of inspection requests to be granted per day, but such an approach would ignore the importance of allocating sufficient time to allow the inspector to perform a quality inspection. The solution lies in a combination of augmenting staff and gaining additional efficiencies. Staffing options are discussed in this section while potential process changes are included in the Inspection section under Process improvements.

As discussed previously in the section on Performance Standards, the process of establishing appropriate staffing levels is based on the concept that the performance standard should remain constant while City Management adjusts the availability of resources to match the fluctuation in the demand for services. In an ideal environment, it would be possible to establish the actual amount of time that would be required to perform the variety of tasks necessary to meet a specific demand for service. Based on the quantity of service demands, it would then be possible to quantify the total volume of resources the City would need to have available to complete the assigned work. Where service demands exceed available resources, Management would be tasked to secure additional resources through authorizing overtime or employing additional staff either full-time, part-time or on a contract basis.

Table 6
Building Division Staff FY10/11 to FY14/15

Building Division	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16
Building Inspector	2	2	2	3	3.5	4.5
Code Enforcement	1	1	1	1	1	1
Fire Inspector	0	0	.5	.5	.5	.5
Plan Examiner	0	0	0	0	0	0
Development Services Tech	2	2	2	2	2	2
Building Official	1	1	1	1	1	1
Municipal Services Assistant	0	.5	.5	.5	.5	1
City Geologist	1	1	1	1	1	1
Total FTE's	7	7.5	8	9	9.5	11
% Change		0%	+7%	+13%	+6%	+16%

The process of quantifying the resources necessary to meet a specific service demand requires a level of personnel time tracking that does not currently exist in Morgan Hill. Management is left to make broad assumptions that staff is working at its capacity, while maintaining appropriate quality control, and faced with the result that the desired performance standards are not being met, must conclude that more staff is needed. Thus, an incremental approach is adopted that adds staff and subsequently measures the resultant impact on the desired performance standard. A review of the historical staffing levels for the Building Division (see Table 6) would support the idea that this approach is being utilized. It should be noted that the Building Official has taken a cautious approach, consistent with the City philosophy of avoiding the need for future layoffs, by augmenting staff resources through a combination of overtime and full-time, part-time and contract staff. However, the fact that customers have occasionally needed to wait as much as two weeks to receive an inspection suggests that these measures are being initiated too late in the process to meet customer needs. The process should continue to be utilized, but the threshold for initiating the measures needs to be much earlier, well before excessive delays are experienced. Integrating the inspection module with the new TRAKiT system, along with its real-time reporting capabilities, should give the Building Official and Building Inspector Supervisor earlier notification of the potential for delayed inspections.

52. Recommendation: The Building Official should continue to adjust staffing levels to meet service demands by employing a combination of overtime and full-time, part-time and contract staff. This should be completed as soon as possible to meet performance standards and customer expectations.

53. *Recommendation:* The Building Official should closely monitor inspection request delays and quickly intervene with additional inspection resources as necessary to achieve next-day inspections at least 90% of the time.

Unfortunately, given that most municipal budgets are only modified once per year, an inaccurate assessment of anticipated staffing needs could result in an extended period of time when the community cannot receive the level of service they expect. The fact that the Building Division is funded from the 206 Special Funds may provide Management with some level of flexibility not afforded to other Departments that rely on the General Fund for revenue. Under the current set of circumstances, the Building Division should be pursuing an approach to staffing that recognizes the need to make rapid adjustments to staffing levels when service demands rise. The increased demand for service, assuming the current permit fees accurately represent the cost of services, should result in an increase in revenue commensurate with the additional services to be provided. Approving an annual budget should include provisions that allow periodic adjustments based on fluctuating service level demands and the confirmation that fees for services will be sufficient to support the cost of additional staff resources.

54. *Recommendation:* The Building Official should work with the City to allow adjustments more frequently than the traditional budget cycle. This should be done soon to meet performance standards and customer expectations.

While the Building Division has not identified specific work units for the purpose of determining staffing needs, they have engaged in a process that might help them yield this type of information for use in the future. The City is in the process of conducting its third fee study in the last five years. In broad terms, the fee study strives to identify the amount that should be charge for a particular type of permit based on an assumption of the amount of time that will be required to perform the needed services by all of the employees contributing to the process. Consultants that provide this service utilize a large database of information collected from other jurisdictions to generally identify the amount of time needed to complete specified tasks. This information should be utilized to initiate the process of determining workload units.

55. *Recommendation:* The Building Official should take advantage of the data collected during the recent fee study to develop measurable work units than can be used to better determine appropriate staffing levels.

Appropriately staffing to meet the anticipated needs of the Fire Plan Review and Inspection program may prove to be challenging due to the limited experience the Building Official has in managing such a program. The current arrangement involves a highly experienced part-time expert providing these services. As the responsibilities transfer to the newly trained Building Inspector a general reduction in efficiency should be anticipated until the new Inspector gains experience and confidence.

Assuming that this inspector will be able to perform these duties and still manage a half-day workload performing building inspections may be overly optimistic. It should also be noted that the City is experiencing an increase in the volume of commercial and industrial permit activity. These types of projects generate a much greater demand for Fire Plan Review and Inspection services. The Building Official should closely monitor the workload of the new Fire Plans Examiner/Inspector to insure that adequate time is being allocated to perform the full scope of these new responsibilities. It is likely that a certain amount of building inspections anticipated to still be performed by this Fire Inspector would need to be reassigned to existing staff or new contract staff.

56. *Recommendation:* The Building Official should closely monitor the workload of the new Fire Plans Examiner/Inspector position to insure that any assigned building inspections do not inhibit the Inspector's ability to performing his primary Fire related duties.

Training

Unlike many other municipal services, the building, fire and other related codes adopted by the State and local jurisdiction change frequently, which requires the Building Official to apply constant vigilance to ensure that the most current adopted code provisions are being properly enforced. One of the methods to obtain the needed training on these new codes is through attendance at outside training classes. Technical code classes are made available locally by such organizations as International Code Council (ICC), California Building Officials Association (CALBO), National Fire Protection Association (NFPA), and the International Association of Plumbing and Mechanical Officials (IAPMO). The City of Morgan Hill and the State of California have established minimum certification requirements for the Building Official, Building Inspectors, Fire Inspectors and Plans Examiners. These requirements have been incorporated into the Job Descriptions for these positions in the Building Division. Maintaining certifications generally requires obtaining a prescribed number of Continuing Education Units (CEUs) every few years. If budget is not available for travel, many of these classes are available on-line from these same organizations. It is appropriate that the City continue to pay for attendance at outside training classes and reimburse staff for the cost of processing their ICC Certification renewals.

57. *Recommendation:* The City should continue to financially support attendance at local and State code training classes for all members of the inspection, plans review and permit counter staff.

58. *Recommendation:* The City should continue to cover the cost of ICC Certification renewals.

The Building Official indicated that he works with one of the Development Services Technicians to track the amount and type of training that each member of the Building Division receives as a means of confirming that staff is obtaining the necessary CEUs to maintain their various certifications.

59. *Recommendation:* The Building Official should continue to actively monitor the status of the training that staff receives to confirm they are accumulating the necessary CEUs to maintain their certifications.

Frequently jurisdictions reduce training budgets either due to budget constraints or the need for staff to be fully engaged in their primary activities. We believe that on-going training is essential to establishing and maintaining a high level of customer service. This training should be available to all levels of the organization and should represent a minimum of 2% of the personnel budget. In addition, employees should continually receive in-house training and mentoring from supervisors and other designated trainers. We typically suggest that 5% of staff's time be devoted to training.

60. *Recommendation:* The budget for the Building Division should include a line item for on-going technical code and supervisory training for Department staff equivalent to a minimum of 2% of the Department's annual personnel budget, so that all staff can receive training appropriate for their positions.

The Building Division does not conduct weekly meetings specifically dedicated to provide technical training for their inspection or development services technician staff. These groups do meet periodically and have informal discussions, which may include some technical code discussions, but the process is not well documented for both the subject and who attended. We believe that conducting weekly training sessions typically provides an opportunity for staff to share their experiences gained while conducting field inspections, performing plan reviews or processing permits. This sharing process contributes to more consistent interpretations among the staff. Weekly training sessions are particularly important when a new set of codes is adopted every three years. Tracking these training sessions gives supervisors the opportunity to confirm that all appropriate subjects are being covered during training and helps ensure that all staff has had access to the training. In addition, a specific training program for new employees is essential to establish not only a basic understanding of the technical code requirements enforced by the City, but also as a means of determining if new employees are familiar with the policies and procedures unique to the jurisdiction.

61. *Recommendation:* The Building Official should ensure that all inspection, and permit technician staff participate in some form of a weekly training that is recorded for both subject matter and attendance.

- 62. *Recommendation:* Opportunities to lead training classes should be given to all staff as a means of encouraging the development of technical expertise and identifying staff for potential future promotional opportunities.**

D. PROCESSING ISSUES

Addressing

The process of establishing addresses is currently assigned to a Development Services Technician in the Building Division. Addressing appears to be a very staff intensive process and frequently results in conflicting information being stored in a variety of databases maintained by various Departments and Divisions. Addresses are currently used for Building Permits, Business Licenses, Engineering Permits and are included in the County Assessor files. Each of these databases has the potential to conflict with the others. For users of the new TRAKiT system to realize its full potential to be able to effectively track and report information, it is essential that the information be accurate. There is a clear need to have the contributing Departments and Agencies develop and implement a standardized set of rules to apply when creating addresses.

- 63. *Recommendation:* The Building Official should create a workgroup to establish a standard set of rules to follow when creating addresses.**

Once a standard set of rules for establishing addresses has been created there will be a need to review the various existing databases that house address information and make the appropriate modifications to reconcile inconsistencies. The City's Information Systems staff will need to be an important contributor to the process of identifying the conflicting information.

- 64. *Recommendation:* Staff from those Departments and Divisions that use address information should work with Information Systems staff to identify and reconcile conflicting address information.**

Inspection Requests

The most significant issue we detected during our review of the Building Division has been the Division's inability to consistently provide next-day inspections. This is a performance standard that we have found to be adopted throughout the country. On one hand we were told that inspections during the busy summertime have been delayed as much as two (2) weeks, while also being told that the Division provides next-day inspections approximately 85% of the time. This wildly inconsistent information could not be reconciled through any activity reports that we were provided. It is our expectation that the implementation of the new TRAKiT system

and its integration into an interactive voice response system (IVR) will make reporting of this type of information routine in the future.

65. *Recommendation:* The Building Official should insure the TRAKiT system will be fully integrated into any future IVR systems so that detailed inspection activity reports can be readily generated.

One issue that may be contributing to the number of inspections that are not being performed on the date requested is the way the IVR system is currently configured. While we are strong proponents of IVR systems, (along with the ability to request an inspection online), we believe your current IVR system is arbitrarily limiting the number of inspections that the system will allow to be scheduled per day. The system is designed to only accept the number of inspections that the Building Official believes can be reasonably performed based on the number of available Inspectors. We support this premise as a way to help insure that the daily inspection workload does not exceed that amount that can be done while still achieving appropriate quality standards. The difficulty that has arisen is that the system does not currently differentiate between those types of inspections that can be accomplished easily in a short amount of time and those other complex and therefore time-consuming inspections. Currently the Building Inspector Supervisor has the ability to increase the number of inspections that the IVR system can accept if he is aware that a large number of simple inspections will be requested. This is a cumbersome manual operation that provides limited relief. A more appropriate response would be to establish a basic unit of inspection time and then assign the appropriate number of units to each inspection based on its anticipated time to complete. A system configured in this manner would actually assign inspections based on the total Inspector time available rather than an arbitrary number of inspections. This approach will help insure the Inspectors time is being used efficiently and would also help confirm that assignments are being made equitably among the inspectors.

66. *Recommendation:* The Building Inspector Supervisor should utilize anticipated inspection time as the criteria in the IVR system rather than the total number of inspections that can be accepted for each day.

Inspector Estimated Time of Arrival (ETA) Inquiries

We find that in many situations permit customers must take extraordinary measures to be available on site when an Inspector is expected to come to perform an inspection. In fact, we observe that most of the telephone inquiries in the morning are about an estimated time of arrival (ETA) for the Inspector. We are sensitive to the fact that it can be difficult to provide a detailed ETA due to the unforeseen problems that can arise during an Inspector's typical day. However, providing customers a general range of times to expect the Inspector on site can provide a very useful guide for customers.

Several jurisdictions have witnessed a substantial reduction in the number of morning phone calls requesting an ETA by simply posting the Inspectors daily route on the website. Customers are advised during permit issuance to check the website on the day of their inspection to determine where their property falls on the route list. While not giving a specific time, this approach gives customer a general sense of when the inspection will be performed. In addition, many jurisdictions have now directed their Inspectors to call the customer approximately 30 minutes prior to anticipated arrival. Customers report that this type of program goes a long way in demonstrating the jurisdiction's respect for the customer's time.

- 67. *Recommendation:*** Once the Inspector's daily route has been established the Building Inspector Supervisor should see that it is posted on the Building Division's web page to provide customers with an ETA for the Inspector.
- 68. *Recommendation:*** Building Inspectors should make an effort to call customers approximately 30 minutes prior to their anticipated arrival on site.

V. ECONOMIC DEVELOPMENT DIVISION

A. PROFILE

Overview

The Economic Development Division is focused on attracting investment to the City through various strategies including marketing the City as an appealing business location, establishing business-friendly policies and processes, high-quality job retention and expansion, enhancing tourism, place making and the downtown area and growing retail and industrial uses to expand the City's tax base. In addition, Staff updates economic, demographic and development trend data and provides assistance to companies looking to start, expand, and/or relocate to the City of Morgan Hill and partners with the existing business community.

In addition, the Economic Development Division acts as staff to the Redevelopment Successor Agency, implementing the process for property planning, disposition and development of downtown opportunity sites, the Specific Plan and priority development area goals and downtown place-making and Infrastructure Investment Plan recommendations.

EDD Staff are funded in part by the General Fund and the Property Tax Increment Administrative Cost Allowance under the RDA Dissolution laws. EDD programs are funded by the General Fund as well as a portion of real property sale proceeds used for escrow and closing costs (one time funds) of the former RDA property that is sold for development.

Authority

The Economic Development Program of the Community Development Department generally derives authority from the City Code of Ordinances, such as Title 2, local policies and ordinance and federal and State Law.

Staffing

Staffing for the Division consists of 2 FTE position, including an Economic Development Manager/Principal Planner and an Economic Development Coordinator.

Table 7 below shows the 2 FTE staff positions in the Program and the corresponding job descriptions adopted for the positions.

Table 7
Economic Development Division Staffing

Position Title	Number of Positions	Responsibilities	Reports To
Economic Development Manager/Principal Planner	1	This is a working manager position responsible for providing leadership and oversight for economic development activities.	Assistant CM for Community Development
Economic Development Coordinator	1	Under general supervision of the Economic Development Manager, provides direction and project leadership for Economic Development activities and programs, develops marketing strategies designed to promote Morgan Hill as a business destination and serves as a City liaison with businesses, community organizations, and real estate brokers, developers and investors.	Econ. Dev. Mgr/Principal Planner
TOTAL	2		

Economic Development Division (EDD) activities in the City are focused on facilitating and influencing the direction of private sector investment toward opportunities that can lead to sustained economic growth to provide sufficient incomes for the local labor force, profitable business opportunities for employers and tax revenues for maintaining an infrastructure to support this continued growth. EDD Staff have been concentrating on activities that support and encourage investments where the community feels they are needed the most.

Table 8 below shows the EDD activities conducted over the last 5 years.

Table 8
Economic Development Activities

Activity Description	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16
Facade Grant Management	3	4	0	0	0	
Long Range Property Management Plan	8	2	0	2	3	
Traffic and Sewer Deferrals/Financing	1	1	0	0	0	1
Development Reimbursement Agreements	1	1	0	0	0	
Grow Morgan Hill Fund Marketing and Outreach activity	10	4	1	12	12	
Produced Business Resource and Broker Events	3	1	1	7	4	
Business Appreciation Visits	24	16	40	30	20	
Ombudsman Services	100	20	21	20	21	
Lease Agreements and Negotiations	3	2	4	2	3	
Property /PBID & Business Improvement District Oversight and Management	2	2	3	12	20	
Marketing Material/Newsletter/Brochure Development and Distribution	3	7	7	10	16	
Economic Incentive Small Business (Relocation)	0	0	0	0	2	6
Sales Tax Sharing Agreements	0	0	0	1	1	
Downtown Purchase and Sales Agreements	0	0	0	1	3	2
Downtown Property RFP/RFQ	0	0	0	0	1	
Studies and Reports Produced/Contracted	0	0	0	0	3	2
Policy Development	0	0	0	0	2	

B. POSITIVE FINDINGS

As the above Table reflects, the EDD has been engaged in numerous activities throughout the 5-year period shown. Below are some of the more noteworthy positive findings for the Division:

- Staff has prepared marketing materials identifying key development opportunities to facilitate acquisition and/or development of economically important areas in the City, which are available on the City's website;
- Construction of a 273 space public garage Downtown (near completion);

- The Sale of Downtown Opportunity Sites 2, 3, and 4;
- Staff is drafting an Economic Blueprint, which is an Action Plan that will identify a vision and set clear strategies to develop jobs and facilitate place-making for the city of Morgan Hill over the next 5 to 10 years;
- Staff is launching a Morgan Hill 100% Local Campaign to promote locally produced food-related items; and
- Creating a new brand identity for the City, including a new logo (e.g., It's Happening) to reinforce the notion that the City is an ideal location that offers residents and visitors a vibrant Downtown, year-round outdoor recreational activities.

C. ORGANIZATION ISSUES

Equipment

Staff stated that they generally have the equipment needed to perform their work, however, they did identify the need for one computer to be upgraded in the Division.

In addition, staff expressed the need for Open Counter software, which is online software that benefits both the City and small business by helping entrepreneurs navigate the business registration process and their site selection process by showing entrepreneurs where their business is permitted, without having to ask City staff for the information.

69. *Recommendation:* The Assistant City Manager for CDD should confirm equipment needs, budget for and purchase needed items.

Job Descriptions

We reviewed the job descriptions for the two positions in the EDD function and found that they need to be updated to correspond with the position titles designated on the City's organization chart. For example, the Job Description for the Economic Development Coordinator Position is listed as "Principal Planner/Economic Development Coordinator, while the City's Organizational Chart shows the Division manager as "Economic Development Manager/Principal Planner." In addition, the Economic Development web page shows staff titles as "Principal Planner and Economic Development Coordinator. The job descriptions for the two positions need to be reconciled with the Organization Chart and Division web page and updated to outline distinguishing roles and responsibilities for each position to eliminate confusion.

- 70. *Recommendation:* The Economic Development Manager and Economic Development Coordinator position job descriptions should be updated.**

Marketing Materials/Handouts

Staff noted that they are working on updating market demographics, as it is part of their regular work program, which is good. In addition, staff identified a need for a handout that explains how to start a business.

- 71. *Recommendation:* The Economic Development Manager should create a handout that explains how to start a business and post it on the Division web page.**

Meetings

Economic Development staff is colocated with other Community Development staff in the Development Services building. Meetings are held between the two staff members as needed to strategize on work efforts and solve problems. In addition, Economic Development Staff stated they sometimes attend Department-wide meetings to help facilitate communication and coordination across the Department. Staff also said that they attend DRC meetings on occasion and are often involved in developer meetings involving key economic development proposals with Community Development Management and other staff outside of the development review process.

- 72. *Recommendation:* The Economic Development staff should regularly attend Department wide meetings to facilitate communication and coordination across Department functions.**

Ombudsman Services

The staff interviewed said that they offer Ombudsman Services. The Economic Development web pages indicate Ombudsman Services are available for small business and other businesses in their interactions with City departments. The Ombudsman Service is generally described as a service where staff can act as mediators to help build consensus when development-processing disputes arise. In addition, as Ombudsmen, Economic Development Staff said that they can work with staff from other development-related city departments to ensure projects moves through the development process as smoothly as possible.

Staff noted that their Ombudsman services generally focus on non-residential projects, however, they have and will provide assistance for residential projects that

advance the City's economic development goals and vision (e.g., a high end for rent project).

In addition, as Ombudsman, staff is able to facilitate the expedited review of key economic development projects as needed. Staff said they feel they have been given sufficient appropriate authority to resolve review process disputes and free projects that are stuck in the review process by working collaboratively with development review teammates.

Staffing

Currently, resources for this function consist of one full-time Manager/Principal Planner and one full-time Economic Development Coordinator. The Manager is a working position and has responsibility for developing and implementing action strategies, supervising the Coordinator position and doing the work.

We did not receive feedback that this function was short staffed. The Economic Development Coordinator was recently hired and working on updating marketing materials and other higher priority projects and focus areas outlined in the Division work program.

Training

EDD staff indicated that training opportunity is limited due to budget constraints; however, they are able to attend important professional conferences, such as the International Council of Shopping Centers (ICSC). Staff did identify a need for outside training on Microsoft Excel, which is an important tool used in their work efforts.

73. *Recommendation:* Excel training needs for EDD staff should be further defined, budgeted for and provided.

Web pages

Staff noted that the web pages for the Division need to be improved to better highlight key program initiatives and accomplishments. We agree the Division should also highlight news events such as local, regional and state level programs and regulations that affect local economic development activities (e.g., AB 2 and SB 107). Staff noted that the recent addition of an Economic Development Coordinator position will allow the Division to more frequently add and update web page content, which is good.

74. Recommendation: The Economic Development Manager should improve the Division webpages through continual updates and adding information as noted above.

Also see our other recommendations for the CDD web pages earlier in this report.

Work Program/ Workshops

Division staff develops a work program for FY 2015/16 that was presented to council in a workshop. The work program outlined their accomplishments and identified action items (e.g., next steps) and key focus areas and work efforts, such as the preparation and adoption of an Economic Blueprint to identify a vision and set clear strategies to develop jobs and facilitate place-making for the city of Morgan Hill over the next 5 to 10 years. Staff also presented data to Council to show how well the City is doing capturing potential sales tax.

In addition to the annual Council workshop, Division staff should also consider presenting Economic Development Program information annually to the Planning Commission to help educate members about key accomplishments and program initiatives.

75. Recommendation: The Economic Development Manager should consider conducting annual workshops with Planning Commission.

D. POLICY ISSUES

Economic Development Strategy

Economic Development staff are currently working with stakeholder groups (e.g., Kiwanis, Tourism Alliance, Chamber, School District, Downtown Assoc., Wineries Assoc., large employers, local developers, residents and others) to develop an Economic Blueprint for the City, which is excellent.

The Economic Blueprint is a collaborative project that will identify a vision and set clear strategies to develop jobs and facilitate “place-making” for the city over the next 5-10 years. Advisory committees, an executive committee and a pathfinder committee have been assembled to create a vision and support strategies that evolve from stakeholder and focus group meetings.

We support staff’s efforts in developing this action plan for Economic Development activities, as it will provide a clear vision, purpose and implementation strategy for

the Program that supports Council's overarching goals for a fiscally healthy government.

E. PROCESS ISSUES

Expedited Reviews

The Economic Development staff identified Expedited Review as a key, short-term policy strategy to support economic development growth, which is a typical strategy we have seen in most of the communities we have studied.

The Economic Development staff helps to support and facilitate Expedited Reviews by acting as Ombudsman, when requested, which is good. We discuss the Planning Division's expedited review process in the Planning Division Section above and make several recommendations to help strengthen to service and ensure that it operates effectively.

VI. ENGINEERING DIVISION/PUBLIC WORKS DEPARTMENT

A. PROFILE

Overview

The Public Works Department is responsible for a wide variety of services that, in general terms, support the critical infrastructure of the City of Morgan Hill. For purposes of this report, our focus is on those operations within the Public Works Department that provide direct support to the private development review process. Under the direction of the Public Works Director/City Engineer, the Land Development Engineering section reviews and approves plans in conjunction with proposed improvements to private property.

During the economic recession the Department downsized by eliminating the Deputy Director position, an Engineering Aid position, and a Public Works Inspector position. The responsibilities for various projects and tasks were shifted to the remaining staff. Two examples of this are: 1) the loss/dilution of management oversight without the Deputy Director position, and 2) the Engineers that had been assigned exclusively to review development projects were also assigned to review and manage Capital Improvement Projects (CIP). With the recovery of the economy, which has produced a dramatic increase in new construction activity, the Land Development Engineering Team is no longer capable of performing both the increased new development reviews and the previously assigned CIP projects. We feel the Engineering section needs to augment their staffing resources by adding both full-time and contract staffing. The building and planning functions have been built back up after the recession but engineering has not.

The information we received from confidential customer surveys and comments provided during our on-site focus group meetings with local developers indicated there is a strong level of dissatisfaction with the level and type of services being provided by this group. The two most frequently cited complaints were the lack of timely reviews and the tendency of staff not to perform complete plan reviews early in the process, which ultimately lead to major corrections being required late in the process. Many customers believe these problems stem from the Senior Engineer's practice of reviewing all work produced by the two Engineers in the group before it can be released to the customer. Despite this high level of review, staff and customers report there are still frequent occurrences of significant problems not being identified until the work has begun in the field.

Interviews with staff suggest that some of the quality control problems they are experiencing can be attributed to the influx of new engineering firms now participating in the development process in Morgan Hill. For many years only local Engineers submitted plans for development review. Over time, those staff reviewing the plans and the Engineers submitting the projects developed a strong understanding of the level of information that should be included in the submittals. This arrangement resulted in a generally expedited process that rarely required numerous resubmittals. Unfortunately, the increase in volume of projects being submitted by Engineers unfamiliar with local requirements has led to a tendency of Engineers to submit plans with minimal information. This has resulted in the need for far more plan resubmittals than what was considered ordinary in previous years.

Information provided by employee and customer surveys also expressed a belief that this group has been reluctant to participate in programs intended to improve customer service such as embracing the implementation of the TRAKiT permit system as a means of enhancing accountability and improving the transparency of the review process. This was the only group that did not complete the requested confidential employee surveys prior to our on-site interviews.

While this report contains many recommendations intended to enhance customer service, we acknowledge that some of these improvements will require the acquisition of additional staff resources. We are also aware that much of the current dissatisfaction expressed by customers and staff is a direct consequent of what we believe is insufficient staffing of these programs.

Authority

Section 17.12.030 of the Morgan Hill Municipal code established the duties of the City Engineer to include the following:

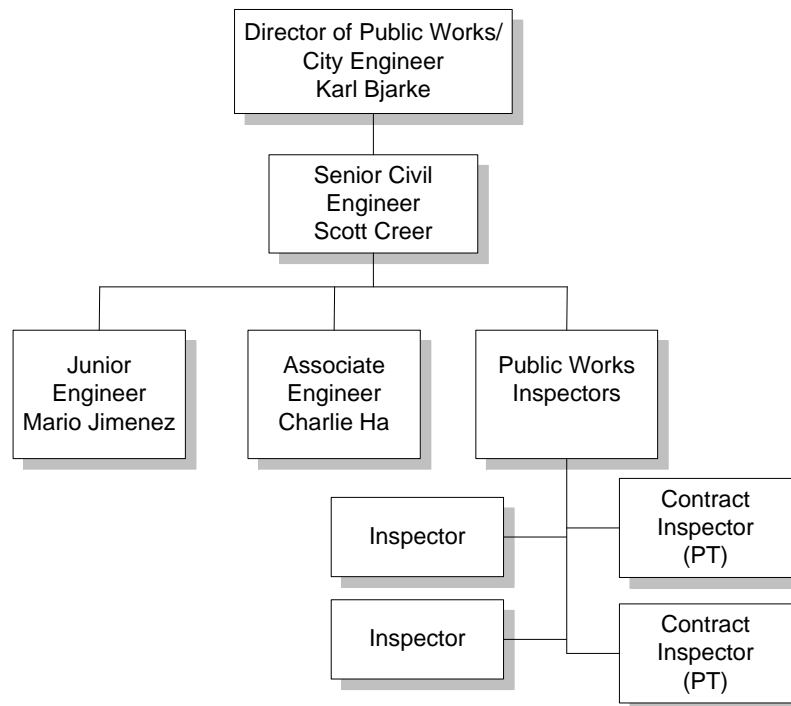
- *Establishing design and construction details, standards and specifications;*
- *Determining if proposed subdivision improvements comply with the provisions of this title and the Map Act and for reporting the findings together with any recommendations for approval, or conditional approval, of the tentative map to the community development director;*
- *The processing and certification of final maps, reversion to acreage maps, and amended maps; the processing and approval of subdivision improvement plans, lot line adjustments, mergers and certificates of compliance;*
- *The inspection and approval of subdivision improvements; and*
- *The acceptance of private improvements (improvements not to be maintained by the city.)*

Basic Functions

The basic functions of the Engineering Division of the Public Works Department is to provide design, plan review, construction and construction inspection of all infrastructure within the public right-of-way and on city-owned property. In addition, this group develops and implements the projects of the City's 5-year Capital Improvements Program (CIP). The group is also responsible for keeping all improvement plans prepared by consultants for Public Record. The two sections of the Engineering Division are Land Development Engineering and Capital Improvement Projects (CIP) Engineering. In addition, this group supports the Planning Division by reviewing and scoring Residential Development Control System (RDCS) applications. Our primary focus for this report is on the operations of the Land Development Engineering section as it pertains to the review and inspection of construction activities that pertain to the infrastructure constructed by developers within the City.

The Land Development Engineering section is managed by a Senior Engineer and employs two (2) full-time Engineers and a part-time contract Plan Checker, as well as two (2) full-time Inspectors and two (2) contract Inspectors.

Figure 6
Public Works Development Engineering Organization Chart



Organization

The Land Development Engineering section reports to a Senior Engineer that reports directly to the Director of Public Works/City Engineer

Table 9
Land Development Engineering Staffing

Classification	# of Positions (FTEs)	Responsibility
Public Works Director/City Engineer	1	Oversees the Public Works Department and serves as City Engineer. Reports to City Manager.
Senior Civil Engineer – Land Development	1	Supervises all Engineers and Inspectors in the Land Development section. Reports to Director of Public Works/City Engineer.
Associate Engineer	1	Assigned storm water regulations (NPDES), FEMA requirements, final map processing and some CIPs. Performs plan reviews for large commercial subdivisions. Reports to Sr. Engineer.
Assistant Engineer	1	Reviews 98% of building permit applications, Public Works conditions, sewer connections, off-site improvements and some water main CIP projects. Calculates impact fees. Deals with traffic complaints. Reports to Sr. Engineer.
Plan Checker (Contract part-time)	0.25	Checks subdivision improvement plans.. Reports to Sr. Engineer.
Public Works Senior Inspector (Full-time)	1	Perform field inspections on public works projects in city right-of-way and confirm developer installed features meet city design requirements. Reports to Supervising Public Works Inspector.
Public Works Inspector I/II (Contract Part-Time)	1	Perform field inspections on public works projects in city right-of-way and confirm developer installed features meet city design requirements
Supervising Public Works Inspector (full-time)	1	Oversees all inspection activities (Land Development and CIP). Performs field inspections on public works projects and confirms design requirements. Reports to Senior Engineer.
Total FTE's	7.25	Current Staffing including part-time positions

B. POSITIVE FINDINGS/AREAS OF STRENGTH

- Senior Civil Engineer has 26 years of experience with City of Morgan Hill;

- Engineering Staff has many years of experience (Asst. Engineer - 15 years; Assoc. Engineer - 10 years);
- The Division has previously used contract staff to address short-term increases in workload and is currently preparing RFPs to expand use; and
- An “Engineer of the Day” is assigned to be the primary technical expert to address customer and staff inquiries.

C. ORGANIZATIONAL ISSUES

Leadership and Supervision

Based on the comments provided by customers during the focus group meetings and written comments provided in customer and employee surveys there is a very high level of dissatisfaction with the service being provided by this Division. Customers complain of failure to meet turnaround time commitments, incomplete plan reviews and the perception that there is a “bottle-neck” in the process at the Senior Civil Engineer level in the organization. Internal staff complains they are the ones who must contact customers to alert them that their engineering project won’t be reviewed on time and that it is difficult to get timely and consistent direction from the supervisor. We believe there are a number of contributing factors that have led to this perception of poor service from this Division. However, ultimately it is the responsibility of the Manager and Supervisor to provide the leadership necessary to correct the problems.

The most apparent issue we observed is the lack of decision-making authority that has been given to the Professional Engineers on staff. It is understandable that a supervisor would exercise closer review of staff work when a new employee joins the section. However, in the case of the current staffing, these Professional Engineers have been with the City for 15 and 10 years and should no longer warrant micromanagement. If staff is continuing to make significant errors in completing their daily assignments, then a definitive course of action needs to be initiated. Generally, this begins by establishing clear performance expectations, providing training and direction as needed and gaining a commitment by all participants that the Division’s performance must improve in the future.

76. *Recommendation:* The Public Works Director and the Senior Civil Engineer should develop a comprehensive improvement plan for employee performance that will allow the Senior Civil Engineer to delegate appropriate decision making authority to his staff.

Performance Standards

A general discussion of performance standards is included in the section that discusses recommendations applicable to all participants in the development review process near the beginning of this report. The subject is included again in this section because of the need to emphasize their importance as it relates to the on-going efforts by the City to implement the TRAKiT permit software system. Comments provided during employee interviews and in employee surveys suggested that the Supervisor of Land Development Engineering has been strongly resistant to utilizing the features of the future TRAKiT system. The supervisor has directed staff to continue to utilize the current process of manually calculating impact fees even after the TRAKiT system has been implemented. The perception from other employees is that the Supervisor is reluctant to adopt any performance standards that will become an integral component of the new system. We believe that allowing any part of the organization that is critical to the timely review of plans and permit applications to “opt-out” of the TRAKiT system implementation would be a significant lost opportunity. We also believe that the performance standards for plan review turnaround times established for Land Development Engineering should be consistent with those adopted by Planning and Building for both standard projects and expedited projects.

Table 10
Recommended Plan Review Turnaround Times

DESCRIPTION	PERFORMANCE STANDARD
Plan Review - New Commercial Building - > \$1,000,000 valuation	90% within 20 business days
Plan Review - New Commercial Building - < \$1,000,000	90% within 15 business days
Plan Review - Commercial Tenant Improvements -	90% within 10 days
Plan Review - Residential - Multifamily - > 20 units	90% within 15 business days
Plan Review - Residential - Multifamily - < 20 units	90% within 10 business days
Plan Review - Residential - Single Family	90% within 10 business days
Plan Review - Residential - Single Family - Standard Plan	90% within 5 business days
Expedited Reviews	One Half (1/2) normal processing time

77. Recommendation: Land Development Engineering should adopt the same plan review turnaround time performance standards as those established by the Planning and Building Division.

The incorporation of performance standards into the TRAKiT permit system will allow Management to observe each Division’s ongoing ability to meet the established

performance standards and thereby enable Management to make timely decisions on the need to adjust staff resources.

78. *Recommendation:* Land Development Engineering should incorporate their performance standards into the new TRAKiT permit system.

79. *Recommendation:* The Senior Civil Engineer should frequently review the reports generated by the TRAKiT system to determine the need to adjust staff resources.

Staffing/Activity Levels

We generally rely on a large volume of detailed information to compare activity levels, percent of time performance standards are achieved and historical staffing levels to provide a recommendation regarding staffing. Often this information is made available through comprehensive reports from a permit tracking system that monitored the activities of all of the groups participating in the plan review and approval process. Unfortunately, when the current permit tracking system (Tidemark) was originally purchased and implemented many years ago the Building Division was the only group that participated. We are confident that, if all appropriate groups participate, a wealth of information will be available to Management in the future to help guide them on making sound decisions regarding the need to adjust staffing levels in response to fluctuations in development activity.

From what we can observe, it is apparent that the current staffing levels are inadequate to meet what we believe are performance standards appropriate for a community that seeks to follow the “best practices” of the government. Not only are turnaround times to complete plan reviews excessive, the product produced is subpar while staff and supervisors have been forced to abandon those activities such as training that are basic to maintaining quality control. We are aware that staff is preparing Requests for Proposals (RFPs) to secure additional resources to assist in mapping, plan review of building permits, work on the storm water program and the FEMA floodplain certification rating system. We support the use of contract staff to fill the immediate needs of these programs. By using contract staff to address these immediate needs it will give Management the opportunity to evaluate the impact of these additional resources on the overall operation of the Division so that a more informed decision can be made regarding the need to obtain full-time positions to perform these duties in the long-term.

80. *Recommendation:* Land Development Engineering should continue their efforts to secure additional staff resources through contract services to address immediate staffing needs.

81. *Recommendation:* Land Development Engineering should closely monitor the impact of additional contract resources on achieving the Division's mission to assist in determining when or, if, full-time staff should be hired.

With the hiring of additional contract staff comes the additional responsibility to monitor the quality of the work being performed. As discussed elsewhere in this section, the Senior Civil Engineer's ability to provide this level of oversight of contract staff is very limited given his desire to closely supervise existing staff. The process of hiring additional contract staff should be accompanied by the creation of a comprehensive list of performance expectations accompanied with the expectation that the Senior Civil Engineer will delegate sufficient work to staff to allow him to perform the critical task of monitoring these new contract staff.

82. *Recommendation:* The Senior Civil Engineer should create a comprehensive list of performance expectations for future contract staff and be available to monitor their performance.

Training

Training is usually one of the first areas to be cut when an organization is faced with a significant increase in workload and the City of Morgan Hill has proven to be no exception to this rule. One of the positive aspects of providing an on-going in-house training program is the ability to achieve uniform and consistent interpretations of the codes and standards enforced by the jurisdiction. Generally, these training efforts also contribute to the compilation of a written manual of interpretations and procedures that can be referred to in the future. The Land Development Engineering Division does not have an on-going training program.

83. *Recommendation:* The Senior Civil Engineer should create an on-going in-house training program to familiarize staff on the technical code and standards interpretations that should be enforced to achieve uniform and consistent staff interpretations.

84. *Recommendation:* The Senior Civil Engineer should create and maintain a written interpretation manual based on the training provided to staff.

In addition to in-house training programs, we believe it is beneficial to have staff periodically attend training offered by outside experts. We have seen examples of how attendance at such training events have provided not only additional technical expertise but also helped promote a more flexible approach to enforcing codes and regulations. As indicated in a recommendation for all functions, we recommend that the engineering budget set a minimum of 2% of their personnel budget for training and strive to allocate 5% of staff time to training and skill development.

In addition to considering training as an excellent tool to achieve uniform and consistent staff interpretations of regulations, we also consider training to be an opportunity for staff to expand their awareness of the organization and potentially identify paths to future promotional opportunities. In the case of Engineers in the Public Works Engineering Division, two (2) of the Engineers are currently only assigned to work on CIP projects while the other two (2) Engineers perform a variety of development related reviews as well as CIP projects. Having all of the Engineers trained to perform the full spectrum of assignments, including CIPs, would enhance their value to the organization by expanding the Senior Civil Engineer's ability to make flexible assignments and give the employees a broader understanding of the full scope of jobs within the Engineering Division.

85. *Recommendation:* The Senior Civil Engineer should structure the on-going in-house training program to allow for cross training of Engineers to expand the scope of the services they can provide.

D. PROCESSING ISSUES

Public Counter Support

The Engineering Division has been the subject of many customer complaints regarding the quality and timeliness of their plan reviews. We believe one of the major contributing factors to these poor results is the number of interruptions the Engineers experience while they are engrossed in reviewing detailed engineering plans and documents. During our review we did note that the Senior Civil Engineer has established a schedule of rotating the responsibility of being the "Engineer of the Day" between himself and the other two Engineers. We endorse the concept of designating an individual to be on call to address technical engineering questions that arise at the public counter or from other staff. However, comments provided during interviews suggests that another staff person, such as an Engineering Aide, could likely have handled a significant number of requests for an Engineer's assistance. We believe counter staff may be too eager to call for an Engineer, when, by simply asking a few probing questions, they would be able to locate the information the customer is seeking. We support the philosophy that work should be performed whenever possible by staff at the lowest level of the organization. Interrupting Engineers to perform tasks that can be accomplished by suitably trained individuals at a lower level in the organization represents a responsible allocation of resources.

86. *Recommendation:* The Senior Civil Engineer should establish a list of public counter inquiries that Engineering Aides should be expected to resolve.

87. *Recommendation:* The Senior Civil Engineer should provide training to Engineering Aides as necessary to insure that information provided to customers at the public counter is accurate and consistent.

We have often witnessed that many customers will automatically seek access to a high ranking individual in the organization when the nature of their inquiry could have been answered without the need to interrupt a highly compensated professional. The likelihood of this interruption occurring is increased when the configuration of the office space makes these professionals readily visible in the line of sight from customers at the public counter. The Senior Civil Engineer should evaluate the current office configuration to determine if modifications can be made to remove engineering staff from the direct line-of-sight of the public counter.

88. *Recommendation:* The Senior Engineer should identify a way to remove his Engineer's workspace from the direct line-of-sight of the public counter.

We endorsed the process of assigning an "Engineer of the Day" as a method of reducing interruptions to other staff, however, it appears that the designated person may not always be available on their designated day. Staff reports that the Public Counter hours start at 8:00 am but frequently the assigned Engineer does not report to work until 9:00 am. This practice requires that either the customer wait until the assigned Engineer arrives or the work of another Engineer must be interrupted to support the counter.

89. *Recommendation:* The Senior Engineer should insure that the designated "Engineer of the Day" is available to assist customers when the counter opens.

E. POLICY ISSUES

Design Specifications

The City of Morgan Hill has established a comprehensive list of design standards for developers to follow that are unique to the City. In some cases, these current standards need to be updated. We encourage staff to always have current design standards available to the public through the website. Using the same argument stated under the Building Division section, we encourage jurisdiction to strive for consistency among other jurisdictions in the region. In many parts of California communities adopt a standardized set of public works design specifications that are enforced throughout a county. One of the benefits to such an approach is that all designers in the area are using the same set of standards so they are very familiar with the requirements that

need to be included in the plan submittals. This familiarity leads to more complete plan submittals and a reduced number of required plan resubmittals. It is reasonable to assume that the problem of numerous plan resubmittals in Morgan Hill may be attributable to the unique set of design standards the City has adopted. We recommend that future revisions to outdated specifications be prepared in a manner that strives for consistency with other jurisdictions in the region. We expect that this approach will both reduce the need for numerous resubmittals and help eliminate a factor that could be perceived to reduce the City's competitiveness in attracting development.

90. *Recommendation:* When revising outdated design specifications, the Senior Civil Engineer should seek to attain consistency with standards utilized by other jurisdictions in the region.

VII. PLANNING DIVISION

A. PROFILE

Overview

The Planning Division (PD) is one of four (4) divisions that make up the Community Development Department (CDD). The PD is comprised of two functions, including Current Planning and Long Range Planning Programs. The Division performs a variety of services intended to protect, maintain, and develop an attractive, safe, and healthy environment and provides direction and leadership in implementing the goals, objectives, and policies of the General Plan as adopted by the City Council. It is also responsible for the orderly development of the city and the administration of various land use regulations, including the zoning code, design review ordinances, sign code, and the cultural resources preservation ordinance, as well as providing technical assistance and staff support to the Planning Commission.

Generally, the Current Planning Program is responsible for managing and implementing the City's land use development regulatory permit system, including reviewing proposed plans for compliance with the zoning section of the Municipal Code, Specific Plans, the General Plan, state and federal development-related Regulations, such as the California Environmental Quality Act, administering the City's Residential Development Control System (RDCS), enabling community participation in the planning process, coordinating outside agency review and consultant work related to planning and environmental review and other activities.

The Long Range Planning Program is generally responsible for preparing, updating, monitoring and implementing the City's adopted General Plan, which provides the overall framework for land use decision-making in the city. This Program is responsible for the development of City policies and ordinances to guide the ongoing use of land within Morgan Hill, such as the City's Zoning Code, the Climate Action Plan and the establishment of environmental review thresholds. This function is also responsible for master planning and plays a key role in the City's Downtown Revitalization focus area.

The City has initiated an update of its General Plan (e.g., Morgan Hill 2035) and other major policy planning documents, such as the City's Residential Development Control System (RDCS), which is slated to take 3+ years to complete.

The Planning Division programs are administered by professional planning staff and although each teammate has regularly designated responsibilities, at any time

someone may be asked to take on a task outside of their regular work assignments (e.g., perform long-range or current planning task).

The Current Planning function is funded by the Community Development Fund, (e.g., Special Revenue Fund, 206) from development processing fees that pay for service. The City is currently updating its fee schedule to support its full cost recovery strategy. The Long Range Program activities are funded by a combination of General Fund, Park Funds, Community Development, Drainage Impact, Sewer, Water Funds, and the Long Range Planning fee.

The Planning Division is housed in City Hall, which is located at 17575 Peak Avenue. Figure 2 in the beginning of this report below shows the Planning Division Organization within the Community Development Department.

Authority

The Current and Long-Range Planning Programs of the Planning Division derive their authority from various local regulations contained in the City of Morgan Hill Municipal Code (e.g., Code of Ordinances), such as Title 17 (Zoning Code), Title 18 (Subdivisions), Title 2 Administration and Personnel) and other land use related codes. Authority is also taken from federal law, as well as a multitude of land use laws contained in the California Statutes, such as the California Environmental Quality Act (CEQA) (California Public Resources Code, Section 21000, et seq.), the State CEQA Guidelines (Section 15132), General Plan Laws (government code section 65300-65303.4), the Permit Streamlining Act (§65920 et. Seq.), the Subdivision Map Act (§66410 et. Seq.), etc.

Staffing

Staffing for the Division has fluctuated over the last five years in response to significant changes in market conditions. Currently, the Division is comprised of 9 regular fulltime staff including the Assistant City Manager for Community Development, the Community Development Director, 3 Senior Planners, 1 Associate Planner, 1 Assistant Planner, 1 Development Services Technician and 1 Municipal Services Assistant. In addition, the City just hired another Associate Planner, who will start sometime in February.

In addition to regular full-time staff, the Department currently uses 4 part-time planners, totaling 1.35 FTE.

Figure 7 below shows the existing Organizational Structure of the Division. As the figure depicts, the regular fulltime Senior Planners report directly to the Community

Development Director, as do three of the four Senior-level part-time planners. One of the part-time Senior-level planners reports to a fulltime Senior Planner. The Development Services Technician also reports to a Senior Planner and the Municipal Services Assistant (MSA) to a Senior Planner. The Development Service Technician trains and mentors the MSA.

Figure 7
Planning Division Organizational Structure

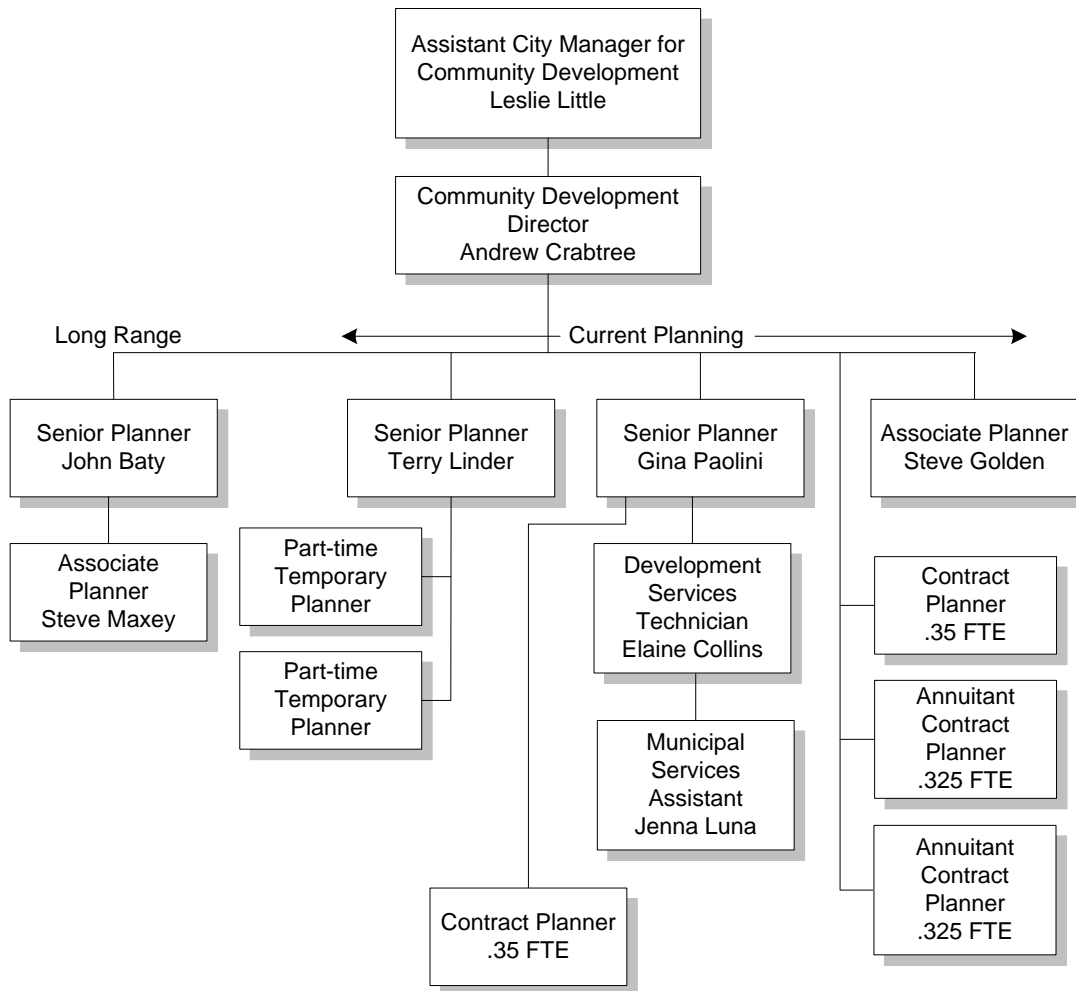


Table 11 below shows the 9 regular fulltime staff positions and 1.35 fulltime equivalent contract planning positions (e.g., 4 planners working the fractional time shown) approved along with the adopted job descriptions.

Table 11
Approved Planning Division Staffing

Position Title	No. of Staff/ FTE's	Responsibilities	Reports To
REGULAR STAFF			
Community Development Director (CDD)	1 FTE	Administers all phases of the community development program, including development of land use planning policies and regulations, issuance of development permits, building inspection and code enforcement.	Assistant City Manager for Community Development
Senior Planner	3 FTE	A management position that conducts day to day planning activities including conduct of land use entitlements, delivery of customer service, coordination with outside agencies and compliance with State and local regulations and that includes supervision of, mentoring or technical assistance to other planners and support staff.	CDD
Associate Planner	2 FTE (1 to be filled)	A journey-level professional planning position that performs a variety of planning studies and may include direction of a less experienced planner or an intern on a specific project.	CDD
Development Services Technician	1 FTE	Provides paraprofessional support services in the Department, such as accepting and reviewing zoning and building permit applications, calculating and collecting fees, maintaining databases and GIS, preparing reports of development activities, and providing procedural and policy information to the public.	Senior Planner
Municipal Services Assistant	1 FTE	Advanced journey level office support position that provides varied and responsible advanced office and technical support.	Development Services Tech
TOTAL REGULAR STAFF	8.0 FTE		
CONTRACT STAFF			
Part-time Annuitant Planners	.7 FTE – (.35x2)	2 part-time/temporary senior and principal level planner positions that conducts day to day planning activities including conduct of land use entitlements, delivery of customer service, coordination with outside agencies and compliance with State and local regulations.	CDD
Part-time PMC and M-Group Planners	.65 FTE – (.325 x2)	2 part-time/temporary senior level planner position that conducts day to day planning activities including conduct of land use entitlements, delivery of customer service, coordination with outside agencies and compliance with State and local regulations	CDD or Senior Planner
TOTAL CONTRACT PLANNERS	1.35 FTE		

Current Planning Program Activity

The Current Planning Application activity levels for the last five Fiscal Years (FY) are shown in Table 12.

Table 12
Current Planning Application Activities

Current Planning	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	5-yr Average
Planning Applications ²	116	125	124	180	152	139
Development Agreements	24	27	16	16	26	22
TOTAL	140	152	140	196	178	161
% Change	-	8.5%	-8%	40%	-9%	-

¹ Includes Administrative Subdivisions, Annexations, Appeals, Commercial Admin. Use Permits, Conceptual Plan Reviews, Cultural Resource Designations, Exception to Loss of Building Allocations, Env., Assessments, Extensions of Time, Measure C (RDCS), Micro Measure C, Minor Exceptions, Prelim. Measure C, Prelim Plan Review, Sign Permits, Site Review, Subdivisions, Temp. Use Permits, Tree Removal Permits, Uniform Sign Program, Urban Service Area, Use Permits, Variances, Williamson Act Cancellations, Zoning Amendments, Zoning Confirmations.

The five-year average for the Planning Applications (PA) processed was 139 and 22 for Development Agreement (DA) activity. Both PA and DA activity increased from FY 10/11 to FY 11/12, for an overall activity increase of 8.5%. From FY 11/12 to FY 12/13, PA activity dropped slightly, while DA activity significantly decreased by 40%.

From FY 12/13 to FY13/14 overall PA and DA activity rose sharply, by 40%. The following year, PA activity decreased by 16%, while DA activity rose sharply by almost 63%, which likely corresponds to changed market conditions resulting from national recession recovery.

Staff stated the applications most processed included, Architectural and Site Plan Review, Planned Development and Subdivision applications. In addition, Development Agreement activity is also significant.

According to staff there are currently 24 active current planning applications (PA's) and another 22 inactive cases are on file. PA's are processed by all planner positions; however, certain planners have a reduced current planning caseload so that they can focus on special projects. For example, the Planners managing the TRAKiT system, Morgan Hill 2035 and the RDCS only have limited capacity available to manage current planning projects (see "staffing" heading below for more detail). As such PA caseloads vary for the available planners.

Residential Development Control System

We did not show discrete data showing the Residential Development Control System (RDCS) annual housing unit allocations. However, a Growth Management White Paper generated for the City in 2013, detailing the City's RDCS Growth Control System stated that, "on average, the City has allocated 225 housing units through the

RDCS process between Fiscal Year (FY) 2002/2003 – FY 2012/2013.” Interestingly, in a separate Housing and Population White Paper, it was estimated that Morgan Hill only added approximately 170 units per year between 2000 and 2013, which is less than the 244 average housing allocations granted by the City.

The disparity is explained in The Growth Management White Paper, which points out that unit’s allocation from Fiscal Year (FY) 2002/2003 to FY 2012/2013 did not always result in building permit issuance, as some applicants were unable to secure project funding due to the national recession. For example, from 2006 through 2011, the number of allocations granted exceeded building permits. On the other hand, there were years during this ten-year period (e.g., 2002-2005), where the number of building permits issued outpaced housing unit allocations because some older allocations were finally being exercised and absorbed. The Paper also highlights the fact that building permit issuance for RDCS allocations increased dramatically from 2011 to 2012 (e.g., from 98 to 431 permits), as developers again began to exercise older allocations due to favorable market conditions.

Table 13 below, shows the allotments granted for FY 2013/14 through 2017/18.

Table 13
RDCS Allotment Activities

Planning Division Function	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	5-yr Average
RDCS Allotments	197	270	270	242	242	244
% Change	-	37%	0	-10%	0	-

As the above table shows, the number of allotments granted each year can vary because they are determined, biennially, using the California Department of Finance's (CDF) most recently determined persons per household figures and population for the city of Morgan Hill. CDF’s population estimate is adjusted for any relevant housing backlog not included in its population estimate, the population of any existing county subdivision enumerated in subsection 18.78.030(A) that has been annexed, and any other quantifiable factor that improves the accuracy of the estimate.

The adjusted population is then subtracted from forty-eight thousand, the result divided by CDF’s most recently determined figure for persons per household in Morgan Hill, and then divided by the number of years remaining between that population estimate date and 2020. This gross annual allotment number is then reduced for any fiscal year by its previously awarded allotments (awarded in prior years) and the number of exempt units anticipated for that fiscal year.

The biennial allotment calculation applies to each fiscal year after the fiscal year in which it is computed. For example, the Spring 2004 computation was used to set the

number of allotments for the competition to be held for fiscal years 2006-07 and 2007-08, as well as to make any positive supplemental adjustments for the previously awarded fiscal years 2004-05 and 2005-06, for projects that competed for 2004-05 and 2005-06 allotments.

Allotment grantees can apply for an Extension of Time. The Council makes the final decision on Extension requests after they have been reviewed by the Planning Commission. Staff said that Extensions are typically granted, as long as the applicant can demonstrate that they have made adequate progress constructing their project. Staff said that the policies governing Extension requests are currently being discussed as part of the RDCS update process, which is good.

Preliminary Plan Reviews

Preliminary Plan Reviews are an optional process for applicants desiring to obtain preliminary feedback from staff, Planning Commission and/or Council review regarding their project (see “Process Issues” heading for additional discussion). Staff indicated that it is a process that is not heavily used by applicants, and a fee has been adopted for this service and is included in the Planning Division Fee Schedule as part of the City’s goal to cover 100% of service costs in the Division.

Table 14 below shows the Preliminary Plan Reviews that were conducted by staff for Measure C (RCDS) and Non-Measure C activities from 2010 through 2015.

**Table 14
Preliminary Review Activities**

Current Planning	2010	2011	2012	2013	2014	2015	6-yr Average
Preliminary Reviews - Measure C (PMC)	0	2	3	6	0	3	2
Preliminary Reviews- Non-measure C	0	0	0	2	2	2	2
Total	0	2	3	8	2	5	-

The six-year average for both types of preliminary meetings was 2. There was a significant increase in activity from 2012 to 2013, which likely corresponds to the improvement in market conditions in the area.

Building Permit and Business License Review

The Current Planning Building Permit and Business License Review activity levels for the last five Fiscal Years are also shown in the Tables 15 and 16, below.

Table 15
Building Permit and Business License Review Activities

Current Planning	2010	2011	2012	2013	2014	2015	5-yr Average
Business License Reviews ¹	315	267	228	243	270	273	266
% Change	-	-15%	- 14.5%	6.5%	11%	1%	-

¹ Includes license reviews for home-based, fixed and professional classifications, as well applications for construction companies, apartment complexes, hotels and change of business address requests within Morgan Hill's city limits.

As the above Table shows, Business License Review activity decreased from 2010 to 2011 by 15% and by 14.5% the following year. From 2013 to 2015, activity increased, which likely corresponds to improving market conditions.

Table 16
5-Year Building Permit Review Activity

Current Planning	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY1 4/15	5-yr Average
Building Permit Reviews	234	344	616	677	684	511
% Change	-	47%	79%	10%	1%	-

As the above Table shows, Building Permit Review activity averaged 511 annually over the five-year period shown. Significant increases in activity occurred from FY 2010/11 to FY 2011/12 (e.g., 47%) and from FY 2012/13 to FY 13/14 (79%), which staff indicated was a result of unused residential allocations from previous years being exercised. From FY 12/13 to FY13/14 activity increased moderately, by 10% and then by only 1% the following fiscal year.

Long Range Planning Program Activity

The Long Range Planning activity levels from Fiscal Year 2010 to 2015 are shown in Table 17 below.

Table 17
Long Range Planning Activity

Activities	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15
General Plan Elements	Circulation & Housing	-	-	-	Housing
General Plan Amendments	4	5	2	2	11
Zoning Code Text Amendments	2	2	1	2	3
Zone Map Changes	3	13	8	8	20
Dev. Agreement Amend.	-	5	2	8	-
Santa Clara Valley Habitat Plan	-	-	1	-	-
Morgan Hill 2035 Project (includes Gen. Plan Update, Zoning Code Update, Res. Dev. Control System Update, Dev. and Infrastructure Master Plans for Water, Sewer, Storm Drain and Telecommunications)	-	-	Initiated	On going	On going through 2016

As the above Table shows, the Division has completed a significant volume of General Plan Amendments and Zoning Map Changes. In addition, the Circulation and Housing Elements were updated. In FY 2012/13, the Division initiated the Morgan Hill 2035, which is multi-year project that includes multiple land use policy documents, as noted in the table.

In addition, the FY 2015/16 budget indicates that staff is also working on implementing Southeast Quadrant agricultural preservation and land use plans, which is another important priority project for council.

B. POSITIVE FINDINGS

We found many positive features in the Planning Division, some of which are highlighted below:

- Staff strives to provide excellent customer service;
- The Division has established a Planner on Duty system to ensure that planning staff are available to walk-in counter customers continuously.
- The Division is in the final stage of completing the Morgan Hill 2035 project, which encompasses a comprehensive update of the City's General Plan, Zoning Code and Residential Development Control System;
- A Station Area Planning Grant was awarded for planning work in the Downtown;
- Two of the regular full-time Senior Planners have considerable tenure (e.g., one 26 years and the other 10 years) and helped to preserve the Division's institutional knowledge;

- The Planning Permit fee schedule is currently being updated to reflect 100% full cost recovery, which is a best practice;
- Staff is managing the implementation of the new GIS-based, permit tracking and data management system (e.g., TRAKiT) which is intended to streamline and ease the administration of the City's entitlement and permit system, across multiple development-related divisions and departments, which is also a best practice.

C. ORGANIZATION ISSUES

Data Collection/Reporting

In conducting our review of the Planning Division, we were able to obtain the bulk of data we requested related to planning application processing, business license reviews and building permit reviews, however it was not readily available in some cases.

Generally, application processing that shows data corresponding to the length and number of staff reviews, applicant revision periods, and overall approval timeframes is not readily available. Nor is the data showing the number of review cycles and duration of reviews. This type of data is an important tool, which can help management better monitor, track and evaluate application-processing systems and respond to processing complaints. The new TRAKiT system should be programmed to provide all of this data.

See our recommendation under the "Performance Standard" heading of this section regarding establishing performance standards for staff reviews for up to three review cycles.

91. Recommendation: The Planning Division should include data on the number and duration of staff reviews in the new TRAKiT system so that Reports can be easily generated and available for use in monitoring, tracking and evaluating staff review efforts.

92. Recommendation: The Planning Division should collect data on applicant review/revision time frames to create an accurate record of overall processing time frames in the new TRAKiT system so that Division can respond to processing delay complaints more efficiently.

93. *Recommendation:* Performance Standards should be included in the TRAKiT system so that data can be collected, tracked, monitored and reported monthly.

Division staff generates and posts a RDCS Quarterly Status Report on the Division's web page that provides a summary of the residential projects that received building allocations through the Residential Development Control System, which is required by Measure C.

The Division also generates a Commercial and Industrial Project Status Reports and corresponding map showing project locations, and a Residential Project Status Report. Generating and posting status reports that contain summary information about current project in the City is a best practice, however, we noted that the Residential Report was dated February 2015 and the Commercial and Industrial Report was dated 2012. Status reports need to be up-to-date to provide value.

94. *Recommendation:* The Planning Division should update the Residential and Commercial/Industrial Status Reports posted on-line and keep them up to date.

95. *Recommendation:* Once the TRAKiT system is programmed to collect performance data, the Community Development Director should generate monthly reports on the performance data.

We were not told of any other report that is generated by the Division to help them monitor workflow and performance. Our interviews with staff indicated that the Division has not yet established performance measures for Planning Application processing (See our discussion under the "Performance Measures" heading).

Equipment/Supplies

Planning Division staff reported that they generally have adequate equipment to conduct assigned work. However, there is a need to continue to replace outdated computers. For example, staff reported that computers do not have adequate capacity to install collaborated tools, such as Drop Box, WebEx, GoTo Meeting, or Screen Sharing, which are excellent tools for collaborating with remote contract planning staff and consultants as well as developers who reside out of the area.

96. *Recommendation:* The Community Development Director should determine computer update/replacement needs and budget for or utilize computer hardware budget monies to replace outdated computers with sufficient storage capacity to accommodate needed software.

Once the City transitions to an electronic submittal process through the TRAKiT data management system, the Division will need larger computer monitors to facilitate electronic plan review. Management Staff affirmed that the City included money in their TRAKiT budget for larger monitors and also for tablets for the field users, which is excellent. Staff said that each user will be able to decide whether they want one large monitor or two monitors. Monitor size and needs will be determined on a case-by-case basis, as some staff are already equipped with adequate monitors.

We also confirmed through the TRAKiT vendor and staff that the City purchased Blue Beam software (electronic plan review software) as part of the TRAKiT implementation project, which they intend to phase in slowly around June of this year.

Fees

We reviewed the most recent planning fee schedule (FY 15/16), which staff indicated is undergoing an update to provide for full cost recovery. The fees are fairly easy to understand and staff reported that fees include surcharges for technology to maintain the permit tracking system, an archive fee to defray file archiving costs and general plan maintenance fee to support general plan maintenance in addition to indirect and direct costs. The City also charges a Habitat Conservation Plan fee (HCP) to facilitate habitat conservation projects.

We did receive considerable feedback through interviews that the fees are perceived to be too high and raised significantly, annually. In addition, the fees for the RDCS and expedited review processes are considered too high. With regard to expedited review, interviewees stated that fees charged include baseline application fees, plus the actual cost for contract planners, plus 15% overhead for City staff to manage consultants and that the fees are disproportionate to the value since the City can't demonstrate that expedited review service is quicker than the standard review service.

We were unable to locate an expedited fee on the adopted Planning Fee Schedule, however Staff corroborated the above reported costs for the service. Under the "Policy Issues" heading of this report, we discuss the expedited review process issues. In that discussion, we noted that expedited review services are provided by contract planners that are responsible for processing a project up to final decision by the Director, Planning Commission and/or Council. After a final decision is rendered, the project is handed off to a regular full-time planner for standard processing through the building and engineering permitting stages, when applicable. The Building Division indicated that expedited review is available at the Building Permit stage, upon applicant request and that the fee includes required works required by planning staff.

97. *Recommendation:* Expedited Review fees should be shown on the updated Planning Fee Schedule in the interest of transparency.

See our discussion under the “Expedited Review” heading in the Policy Issues section about recommendations to improve the process.

Given the City’s budget constraints, we agree with the City’s current practice of proactively updating fees to capture all costs for application services.

In addition, it is not clear whether the “Preliminary Plan Review” fee (e.g., Non-RDCS) captures labor costs associated with Council review, which we understand is an option in addition to the applicant receiving Planning Commission review.

98. Recommendation: The fee schedule for Preliminary Plan Review Fee should capture council review fees and show separate fees for Planning Commission Preliminary Review and Council Preliminary Review.

Email System

Most of the Staff interviewed reported that the email system is ineffective due to insufficient storage capacity (e.g., 100mb). As a result, staff continual has to manage emails to create additional storage capacity for daily incoming emails. In addition, while emails can be received on smart phones, they can’t be managed by a smart phone, which creates capacity issues if staff is out of the office for extended periods. The capacity issue also makes it difficult to retain important emails related to processing and chronically prevents staff from successfully transmitting emails to the Director as the emails are returned due to the Director’s email being full.

99. Recommendation: The Community Development Director should work with IT to identify email storage capacity issues and increase capacity if needed to resolve the issues identified.

Filing Systems/Records Management

We received a lot of adverse feedback from staff interviewees concerning the existing filing system in the Division. Generally, interviewees reported that the system is a mix of paper files stored on-site, electronic files in various locations and archived paper files stored off-site, which can frustrate research efforts and hinder processing. The following summarizes the responses we received:

- Files are in paper format predominantly and need to be scanned and archived;
- Paper files are stored onsite throughout the office and offsite in a separate building. Records archived offsite are retrieved via a records request that takes 2-4 days to retrieve;

- Multiple electronic file systems are in use including Legistar, Laser Fiche and several different drives. As a result, portions of the same planning file may be stored in multiple locations that may not be linked, so staff may have to go to several places to gather file information or conduct research;
- Planner case file management protocols appear to be inconsistent, which often hampers efficient case file management transitions from Contract Planners to regular fulltime staff planners;
- Staff is not sure whether any general file archiving protocols exist that tell staff when paper files should be scanned and removed to archive; and
- An out card system is not in use to help track and manage onsite paper files.

Staff interviewees stated that the Division does have scanning equipment so that paper files can be scanned; however, paper case files are not currently scanned for the purpose of electronic archiving. Scanning efforts are limited to scanning of individual file documents, such as Approval Certificates and Resolutions. In addition, some older over-the-counter case files, such as Sign and Tree Removal Permits have been scanned, on an inconsistent basis, to Laserfiche.

Paper files are stored on-site in filing cabinets until there is a decision to box and relocate them to an offsite facility. Staff noted that the Division stores as many files onsite as possible to avoid sending files to archive because archive retrieval takes 2-4 days and hinders research.

100. *Recommendation:* The Community Development Director should program and budget to scan all paper case files and plans at an appropriate quality so that they are readable and can be accessed by TRAKiT.

101. *Recommendation:* The Community Development Director should ensure that the TRAKiT system is configured to link with and accept file data from all of the electronic filing systems that are or were in use in the Division.

102. *Recommendation:* Once the TRAKiT system is implemented, all new files should be created, maintained and stored in the system; file data from other sources should be linked or imported into TRAKiT and archived paper files should be scanned and uploaded into TRAKiT.

103. *Recommendation:* The CDD should establish an out-card system to better manage and track paper files kept onsite.

Handouts, Planning Application Form

The Division posts available handouts on their web page, as well as project status report and the Planning Application Form. Interviewees reported that several of the planning division handouts posted online are out of date. We reviewed the handouts and found that the majority had been updated in 2015, which is good.

We did find a couple that appeared to need updating however, including the “Zoning Text Amendment” and “Urban Service Area” handouts, which were last updated in 2005 and 2007, respectively. In addition, we found that while the handouts did a good job of outlining the submittal requirements, none of them adequately explained the review process. The lack of a detail on the Preliminary Plan Review and Conceptual Plan Review process was particularly problematic because it did not explain the difference between the two, which is confusing for the unfamiliar user (see our discussion under the “Conceptual Plan Review, Non-Measure C Preliminary Plan Review” heading in this Section of the report).

A summary explanation of the review process would be particularly helpful in explaining the Design Review Committee (DRC) process, which replaced the Architectural and Site Plan Review (ASPR) Committee process.

104. *Recommendation:* The Community Development Director should update out-of-date handouts and include a thorough summary explanation of its purpose and the review and approval process.

In addition to some handouts being out of date, we found the Architectural and Site Plan Review handout confusing. The Zoning Code provisions that establish this application process is titled, “Design Review,” (Chapter 18.74), so it is not immediately evident to an unfamiliar user that these provisions govern the Architectural and Site Plan Review process, until the user reaches 18.74.010 (G), where the “Architectural and Site Review” term is used. Later in this report we recommend resolving unclear and inconsistent provisions like this one. (see our discussion under the “Zoning Code.”

To add to the confusion, the handout for the Architectural and Site Review process contains a hyperlink to “Architectural Review Handbook,” which is a document that sets minimum standards for architecture, site planning and landscaping. However, the hyperlink takes the user to the Division’s Zoning Web Page, rather than the actual document and the document is actually titled “the Design Review Handbook.” When the user clicks on the link, they are sent to a document titled as “Architectural Review

Handbook.” The link and title of the handbook should be reconciled to eliminate confusion and the link should take the user directly to the document.

105. *Recommendation:* The Community Development Director should update the Architectural and Site Plan Review handout to retitle it as “Architectural and Site Plan Review/Design Review and Permit,” so that it corresponds to the process name outlined in Chapter 18.74 of the Zoning Code, and change the name of the hyperlink from “Architectural Review Handbook” to Design Review Handbook.”

106. *Recommendation:* The Community Development Director should work with IT to create a direct hyperlink to the “Design Review Handbook.”

We also noted that the title of the “Tree Removal Permit,” handout does not correspond to the term used in the Zoning Code Chapter 12.32.040), which governs the process. The Code refers to the permit as a “tree cutting permit,” which makes it difficult for an unfamiliar user to locate the provisions in the Zoning Code.

In addition to including a summary of the review and approval process on their handouts, best practice communities may also include a flow chart showing the major milestones in the process in the interest of transparency and education.

107. *Recommendation:* The Community Development Director should include flowcharts in the “filing requirements” handouts that depict the various planning review and approval processes (e.g., administrative/Director, Planning Commission and Council approval processes), on handouts.

The Division utilizes a uniform Planning Application form, which is a common type of application form utilized by best practice communities. However, this form and others, such as the Environmental Assessment Form are not yet fillable, which will facilitate electronic submittal, once the City launches its new TRAKiT data and permit management system.

108. *Recommendation:* The Community Development Director should work with the IT Department to create fillable forms to facilitate electronic submittal.

109. *Recommendation:* Submittal requirements outlined in all filing requirement handouts need to be revised to reflect electronic submittal requirements, rather than paper submittal requirements, once TRAKiT is fully

operational and the Division has transitioned to a paperless system.

Job Descriptions

In reviewing the job descriptions for the Division, we found that many of them contained inaccurate supervisor title references.

110. *Recommendation:* The Community Development Director should work with the Human Resources Department to update job descriptions for the Division.

Meetings/Communication/Team Work/Morale

There are a number of reoccurring, regularly scheduled meetings in the Planning Division, which are intended to advance communication and coordination between the Division and related development-related functions in the Department, including the following:

- A regularly scheduled weekly meeting held on Tuesdays between the Assistant City Manager for Community Development, the Community Development Director and Planning Division Staff to discuss tentative agenda items, current planning issues and exchange information. Building Division staff attends when they have an item they want to discuss with planners;
- A regularly scheduled weekly one-on-one meeting held between the Community Development Director and his direct (planner) reports;
- A regularly scheduled weekly Leadership Team/Huddle Tuesday morning meeting held between the City Manager and Department heads, which are attended by the Assistant City Manager for Community Development and Community Development Director). The meetings are held to review the CC agenda, Council or City priorities and discuss management/leadership issues or other topics of interest;
- A regularly scheduled Monday afternoon meeting between the Assistant City Manager for Community Development and the Community Development Director to discuss department issues and items of information; and
- An as needed manager-level meeting between the Community Development Department and Department of Public Works manager (Staff indicated that this meeting has not been held in some time).

Due to time constraints, we were not able to observe any of these meetings to assess how well they function. However, we obtained a copy of an agenda for the regularly scheduled Tuesday Division staff meeting and a recent Leadership Team

Meeting/Huddle. The Tuesday Division Staff meeting agenda was a working document showing tentative project scheduling for hearings and administrative decision-making and did not contain itemized topics for discussion. In contrast, the Leadership Team Meeting agenda was structured and provided an itemized list of topics and corresponding speakers with allocated time frames for completing discussions. It also identified upcoming events and future agenda topics.

We received considerable feedback that more coordination is needed in current planning among case managers. The Tuesday weekly meeting should be expanded to include a time slot for project-level coordination meeting to discuss projects collaboratively, troubleshoot issues and providing training to ensure FT and contract planners process applications and maintain files consistently and have a common understanding of customer service expectations in the Department. In addition, the meeting should inform staff about items of Citywide and Department-wide significance and include exercises to improve morale and promote teambuilding. For example, the majority of the staff interviewed expressed that there was a morale problem and that they were unclear about the current philosophy and mission.

111. *Recommendation:* The CDD should expand the Tuesday weekly meeting to include agenda items described above to improve project communication, coordination and consistency and the morale.

We also received extensive comments regarding communication silos between Public Works and Planning, which points to the need for regular meetings between the two functions, rather than as needed meetings.

112. *Recommendation:* The Assistant City Manager for CDD should work the Director of Public Works to establish a regularly occurring meeting between development review management staff in Public Works Engineering and CDD staff to discuss, identify and resolve development review process issues.

Also see our recommendations under the Policies & Procedures heading in this section regarding the need to update the Policies & Procedures Manual.

Office Space

We received considerable feedback that the office space needs improvement. Comments received include:

- Cubicles lack privacy; so difficult applicant conversations are made more difficult;
- Cubicles need to be reconfigured to improve privacy and maximize workspace;
- Some cubicles that are visible to the public are disheveled, which reflects negatively on staff as a whole;
- The counter computers are often not working (e.g., software and hardware issues);
- Tables are used for storage instead of workspace;
- Filing cabinets for paper file storage consume too much workspace;
- The overall office space is cramped;
- The office space was intended to collocate development-related functions; however, other unrelated functions were moved in during City Hall renovations. Renovations are complete and unrelated functions, including utility billing, passport services and finance need to move back to City Hall.

We toured the office and observed operations during our visit and agree with the above feedback. We understand that the City is working on a redesign of the office, which will resolve cubicle configuration issues and improve the counter layout.

Also see our recommendation under the “filing” heading below, regarding immediately scanning and archiving paper files and removing file cabinets that are no longer needed in the Division.

113. Recommendation: The City Manager should require staff occupying cubicles that are visible from the public realm to clean and organize their workspace. Should clearly articulate the Division’s mission and city philosophy’s to staff and include allocate time during the regularly scheduled Tuesday meeting for team building to rebuild rapport and improve morale.

114. Recommendation: The Assistant City Manager for Community Development should ensure that the counter computer(s) are continually maintained in working order.

Organizational Structure

Figure 2, shown earlier in this study, shows the organizational structure for the Community Development Department and Figure 7 above shows the existing Planning Division structure in relation to the overall Department.

We received feedback from the Focus group participants and staff interviewees that the structure is confusing because there is an Assistant City Manager for Community Development (ACM) and a Community Development Director (CDD). The ACM is

over 4 separate Divisions, including Housing, Economic Development, Support Services and another function that includes the Planning and Building Divisions. The existing organization chart shows that the Planning and Building functions are headed by a Community Development Director - suggesting that there is a smaller Community Development Department, consisting of a Planning and Building Division, within a larger Community Development Department.

Staff said that the ACM is responsible for oversight of the four separate Divisions in the Department and the Community Development Director is responsible for and acts as the Planning Manager for day-to-day management of the Planning Division and the Building Official acts as the Division Manager for day-to-day management of the Building Division.

However, at times, the Community Development Director will provide oversight to one or all of the other Divisions within the Department when the ACM is unavailable or delegates' oversight responsibility in connection with a special project.

Adding to the confusion is that fact that the organizational management structure for the Planning and Building Divisions actually “works” differently in practice than shown in Figure 2. The Community Development Director no longer directs the activities of the Building Division; just the Planning Division as shown in Figure 7.

The existence of an ACM position over Community Development and a Community Development Director position that is only charged with managing the Planning-related functions is confusing. Moreover, maintaining a Community Development Director position that is currently only responsible for Planning-related functions and has occasional, temporary oversight of other functions or projects within other functions is unusual. If the Community Development Director's span of control has been reduced to Planning Division oversight, the title should be changed accordingly to reflect the actual responsibilities (also see our recommendations under the “Building” section above about the Building Division structure).

115. *Recommendation:* The CDD title should be changed to Planning Director or Current and Long-Range Planning Director.

Project Managers

Staff indicated that they act as the lead on current planning applications and feel that they have generally been given full authority to act as “true Planning Project Managers.” We have referred to “Planning Project Managers” in some of our other studies as a “Cradle-to-Grave,” system. With this System, the assigned current planner manages and works directly on the project from pre-application through building inspection.

We advocate this system because it promotes processing consistency and efficiency and facilitates coordination and communication throughout the permitting Process. Planners have also told us that they find this system more fulfilling because it elevates planning staff from processors and regulators to managers and problem-solvers.

In our interviews with staff and focus groups, we were told that the Planners are not empowered to make certain decisions and drive the review process with related functions, such as building, public works, fire, police and parks to ensure that reviews are timely and relevant. For example, it was widely reported that engineering reviews are often untimely and planners have little ability to ensure reviews are on time.

In addition, focus group participants indicated that planners do not invite applicants to Design Review Committee (DRC) meetings to participate in issue discussions and that preliminary and conceptual meetings are ineffective because feedback is inconsistent.

See our discussions under the “Design Review Committee” and the “Conceptual/Non-RDCS Preliminary Plan Review” headings below.

In addition, it was reported that staff recommendations can be changed by management during the staff report editing process, without any discussion or advance communication with the project planner or applicant, which creates significant frustration and has negatively impacted staff morale and developer perceptions (see our discussion under “Process Issues” regarding the CDD informing staff about report changes).

Further, although planners remain involved in a project through the implementation stage (e.g., building and engineering permits and mitigation monitoring), developers reported that they are left on their own at times to work out engineering-related improvement issues with the Public Works department.

Planning Project Management Systems are those where Planners perform all of the following functions.

- Arrange for and lead pre-application meeting discussions that provide formal written feedback to applicants from all development-related functions;
- Conduct qualitative reviews of new planning applications to determine whether they are complete prior to processing;
- Drive, coordinate and track plan routing and review to other reviewing agencies and groups to ensure timely and relevant reviews are conducted;
- Coordinate input from outside regional, state or federal agencies to ensure timely and relevant reviews and help resolve issues that are identified;

- Challenge other department conditions when they appear inappropriate;
- Act as a single point of contact for the applicant to resolve issues that arise during the multi-departmental review process;
- Analyze the project to ensure consistency with regulations, policies and long-range plans;
- Coordinate with key decision-makers;
- Write and sign staff reports that provide decision-makers with a professional recommendation with enforceable conditions of approval that mitigate issues;
- Present concise, formal PowerPoint presentations of the project at public meetings.
- Sign off on building plans prior to building permit issuance;
- Conduct site inspection to verify required improvements have been constructed prior to issuance of Certificates of Occupancy; and
- Conduct field reviews of the project six months to a year after Certificate of Occupancy is granted to determine if approvals were satisfactory or if unintended impacts have occurred, which requires code or process adjustments.

Currently, planning staff performs most of these functions, but as noted above some are not being performed.

116. *Recommendation:* The Community Development Director should empower the current planners to perform all of the functions described above through formal policy and intra and inter-departmental agreement (e.g., agree planners are the lead, and act as projects managers, etc., with other divisions and departments involved in the permitting process and that staff will be held accountable to perform as agreed).

Staffing

Overview

Table 18 below shows the full-time equivalent (FTE) staffing resource for the last 6 fiscal years.

Table 18
Planning Division FTE Staffing Resource Levels for Last Six Fiscal Years¹

Full Time, Regular Staff FTE	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16
Asst. CM for Community Development	0	1	1	1	1	1
Community Dev. Director	1	0	1	1	1	1
Planning Manager	1	0	0	0	0	0
Senior Planners	2	2	2	2	3	3
Associate Planner	1	1	1	1	1	2
Assistant Planner	0	0	0	1	1	0
Development Services Tech	1	0	2	1	1	1
Municipal Services Admin	2	1	1	1	1	1
Total FTE's	8	5	8	8	9	9
% Change	-	-37.5%	60%	0	12.5%	0
Part-Time, Contract Staff²						
Contract Planner FTE	0	.5	.5	.5	.5	1.35
Total Staff Resources	8	5.5	8.5	8.5	9.5	10.35

¹ This table shows total staff independent of the funding source.

² Contract Planners are not listed as FTE resources in the actual budget documents. They are shown as an expenditure line item under contract service costs.

As the above table indicates, staffing levels have fluctuated over the period shown. From FY 10/11 to FY 11/12, staffing resources were reduced by over 37% due to budgetary constraints, and the Planning Manager, Development Services Tech and a Municipal Services Admin. Positions were eliminated.

In FY 12/13 staffing resources increase by 60%, with the addition of a Community Development Director, two Development Services Technicians, and a Municipal Service Admin. Position. There was no change in staffing resources in FY 13/14, however, in FY 14/15, staffing resource numbers increased by just over 12%, with the addition of a Senior Planner. In FY 15/16, the Division increased its contract planner staffing resources and added an Associate Planner position.

Within the 5-year period shown, the Division began utilizing Contract Planners in FY 2011/12 to supplement full-time staffing resources in an effort to respond to an increase in development activity. Contract Planning staff resources remained level from FY 2011/12 to FY14/15, and then increased from FY 14/15 to FY 15/16 to respond to the increase in development activity and help bridge the staff resource gaps created by fulltime staff that were partially reallocated to manage the Morgan Hill 2035 and TRAKiT implementation projects.

Activity data provided by Division, shown earlier, indicates that Planning Application activity decreased by 16% from FY 13/14 to FY 14/15, while Development

Agreement processing increased by 63%. There was also a slight increase in Business License reviews and Building Permit Reviews. In addition, 270 housing unit allocations were granted through the RDCS system for Fiscal Years 2014/15 and 2015/16.

Administrative Support

Administrative support is largely provided by the Municipal Services Assistant (MSA) In addition, some administrative support is provided by the Development Services Technician (DST) through counter activities and processing of deposits for contract planners and by the Support Services Supervisor, who provides by helping to answer the phones and routing the calls to the appropriate departments within the building, as needed.

The MSA is responsible for providing office and technical support including, Planning Commission packet distribution, public notices, preparing and distributing Division meeting and PC meeting and agendas, filing and updating Tide Mark and project status reports.

We did not receive any feedback that additional administrative support is needed in the Division and no backlogs were reported. After reviewing activity levels and available administrative support resources it appears that administrative support staffing resources are adequate in the Planning Division at this time.

Advanced (Long-Range) Planning

Although the Planning Division consists of both Current Planning and Long-Range Planning Programs, the majority of the work effort dedicated to Long-Range Planning is accomplished through 1 FTE Senior Planner and supplemented by Professional Services provided by various specialized community planning and environmental consulting firms. Additional labor is also provided by the Community Development Director, who spends about 10% of his time leading the implementation of the Agricultural Land Use Preservation Program and Southeast Quadrant Area Plan, which is another key focus area of the Long-Range Program.

In addition, beginning in February, the newly hired Associate Planner will be programmed to provide 50% of their time on Long-Range Planning efforts, predominantly supporting the General Plan Update, map production, ordinance work and transportation planning.

A major priority project for the Long-Range Planning program is the Morgan Hill 2035 project, which is in the final stage of completion and includes comprehensive update of the City's General Plan, Zoning Code and Residential Development Control

System. The City hired PlaceWorks, Inc., consulting, to complete this work under the management of the Senior Planner. According to the adopted budget, the General Plan Update work effort will be funded by Long Range Planning Fee Fund 207 (e.g., Fund comprised of long-range planning maintenance fee), growth and inter-fund transfers, a one-time infusion of housing in-lieu funds, and approved transfers from Community Development Fund 206 (e.g., Special Revenue Fund).

In addition to managing key long-range projects, the Senior Planner for Long-Range will also supervise the new Associate Planner position and is also responsible for managing General Plan Amendment applications, the Habitat Conservation Plan Report and coordinating regional planning activities with Santa Clara Valley Transportation Authority and the Association of Bay Area Governments. When time is available, the Senior Planner may also manage 2-3 current planning projects.

We did not receive any feedback that the Long-Range Planning Program was understaffed and we were told that the Morgan Hill 2035 project is on schedule and there were no long-range planning work backlogs.

Current Planning

We received some feedback from focus group members and staff that the Current Planning Program may be understaffed, given the recent increase in development activity and staff's undertaking of Morgan Hill 2035 and the TRAKiT data management and permit processing software implementation project. For example, interviewees reported that there are project management inconsistencies, communication silos and project coordination issues between contract planners and full-time planners in Current Planning. They also reported that processing takes too long.

However, other staff stated that they believe that staffing levels are adequate, due to the utilization of contract staffing. The City also just hired another Associate Planner to supplement both Current and Long-Range Planning staff (e.g., position will be divided equally among the two programs). Management staff further stated that all planning positions process planning applications, although some staff process fewer than others.

Fulltime Regular Senior Planners

There are 3 fulltime regular planners. As noted above, the majority of one of the Senior Planners' available hours is allocated to Long-Range Planning activities, which leave only fractional time available to manage 2-3 Current Planning projects per year.

In addition, the majority of another Senior Planner's available time is largely allocated to managing the City's RDCS system (see our discussion under the "RDCS" heading for a description of activities), which is very labor intensive and requires continuous monitoring and reporting to ensure that all RDCS commitments are fulfilled, which can be tied to a Final Map or to a Building Final, depending upon the type of commitment. This position also supervises the DST and MSA positions and one of the contract planners and manages the front counter and Planner on Duty schedule. As such, only fractional time (e.g. about 15%) remains to process 3-4 other Current Planning projects annually.

The remaining fulltime regular Senior Planner is devoted fulltime to managing Current Planning Activities, including providing oversight to the Design Review Committee function. This planner is currently managing 6 cases, in addition a substantial amount of time is spent managing post-approval cases that are in various stages of permitting and construction.

Fulltime Regular Associate Planner

There is one existing, fulltime regular Associate Planner in the Division. Currently, 75% of this Planner's available time is devoted to implementing the TRAKiT project, which leaves minimal time to manage Current Planning projects. Nonetheless, this planner is currently managing 10 cases, which is an excessive caseload given the TRAKiT implementation challenges that we noted earlier.

See our discussion under the "TRAKiT" heading concerning making more time available to the TRAKiT implementation project.

In addition, the City just hired a new Associate Planner, whose time is slated to be divided evenly between Current Planning, including counter duties and Long-Range Planning activities.

Part-time Contract Planners

The Division supplements fulltime planner staffing resources with part-time staffing resources, which is a good strategy that we often recommend. Currently, four part-time contract planners, totaling 1.35 FTE are utilized to bridge staffing gaps created by increased development activity, the TRAKiT implementation project and the Morgan Hill 2035 project.

Two types of contract planners are used. The first type includes 2 annuitant (e.g., retired) planners (e.g., a Senior Planner and Principal Planner) that the Department contracts with directly. These 2 contract planners provide part-time assistance, averaging about 24 hrs. per week each, which equates to .65 FTE.

One of the annuitant contract planners is used to cover an Assistant/Associate Planner position vacancy, which is currently being filled. About 75% of the contract planner's time is devoted to counter coverage. After the new Associate Planner starts and is trained, 50% of the Associate Planner's time will be allocated to counter coverage. The contract planner will then be reallocated to case processing about 2 days per week so that the existing Associate Planner can continue to support the City's new TRAKiT data management system rollout.

The other annuitant contract planner is used to cover regular staff planner time that is being absorbed by the TRAKiT system project. This contract planner will be phased out once TRAKiT is launched. Both annuitant contract planners report to the Director. The cost for both of the annuitant contract planners was included in the TRAKiT project budget. Currently, each annuitant planner is managing 7 current planning projects.

The second type of Contract Planner includes planners provided by PMC and M-Group. These Contract Planners handle expedited review cases. Applicants desiring expedited review pay the cost of the actual Contract Planner, plus the application fee, plus 15% for City administration in exchange for expedited review.

See our discussion under “expedited review” regarding the expedited review process.

Contract planners provided by PMC and/or M-Group are utilized as needed, so their hours vary. The Director indicates that they currently utilize 2, experienced contract planners (e.g., Senior/Principal level) that equates to .7 FTE (e.g., .35 FTE each). One reports to the Director and one to a Senior Planner. Currently, these contract planners are managing a total of 5 cases (see Table below).

Development Services Technician

As noted earlier, the Development Services Technician (DST) handles over-the-counter planning permits, administrative use and Tree Removal Permits, processes deposits for contract planning services and trains the Municipal Services Assistant. The DST is currently managing 1 planning case.

Staffing Analysis

Table 19 below summarizes the above-described existing staffing resources available to process current planning cases and the number of cases currently being processed by position.

Table 19
FY 15/16 Current Planning Case Processing Resources
Applications Processed Per Planner Resource

Existing Staff Resources			Distribution of Time			
Positions	FTE	Current Planning (Standard case processing)	Counter/Building Permit Review & Business License Review	RDCS Applications	RDCS Upkeep	No. of Cases
Asst. CM for Community Development	1	.35	-	-	-	0
Community Dev. Director	1	.05	.05	-	.05	7
Full Time Senior Planner	1	.40	.60	-	-	6
Full Time Senior Planner-RDCS	1	.10	.05	0.35	0.40	3
Full Time Senior Planner – Long Range	1	.05	.10	-	-	1
Associate Planner - TRAKiT	1	.25	-	-	-	10
Development Services Tech	1	.10	.80	-	-	1
Municipal Services Assist.	1	0	-	-	0	0
Annuitant Contract Planner (counter)	.35	.35	.65	-	-	7
Annuitant Contract Planner	.35	.50	-	-	-	7
Contract Planner – Expedited Review Cases	.325	.325	-	-	-	3
Contract Planner – Expedited Review Cases	.325	.325	-	-	-	2
New Associated Planner	1	.15	.35	-	0	3
Totals	10.35	2.95	2.6	.35	.45	50

Planning Applications: Table 12 indicates there were 152 planning applications in 14/15 with a five-year average of 139 cases. There were 26 development agreements in 14/15 with a five-year average of 22 cases. Using this resulted in a total of 178 cases in FY14/15 with a five-year average of 161 cases. As can be seen in Table 19 above, there are 2.95 staff available to process these current planning cases. Using the higher number, this results in 60 cases per planner or 1.16 per week. A national study was conducted a few years ago that showed that the national caseloads per planner per

year range from 35 to 275. We believe the current Morgan Hill 2.95 planners should be sufficient for the workload.

Counter/Building Permit Review/Business License Review: Table 12 indicates there were 273 business licenses in FY14/15 with a five-year average of 266. There were 684 building permits for FY14/15 with a five-year average of 511. As can be seen in Table 19 above, there are 2.6 staff available for this function. Using the higher number results in 957 cases or 368 cases per planner per year. This results in 7.97 cases per week or 1.4 cases per day per planner which appears to be a workable number.

Table 20 below shows another way to look at the staff planner FTE resources, the number of applications submitted and number of applications per staff planner for the five-year period shown. Because the Table does not include Assistant CM, CDD resources, the number of applications per planner shown is higher than if these resources were included.

Table 20
FY 15/16 Current Planning Case Processing Resources
Applications Processed Per Planner Resource

Fiscal Year	Staff Planner FTE's ²	Staff Dev. Serv. Tech FTE's	Contract Planner FTE's	Total Planner FTE Resources (Staff Planners, Tech, Contract Planners)	Current Planning Applications ¹	Applications per Planner FTE Resources
10/11	4	1	0	5.0	140	28
11/12	3	0	.5	3.5	152	43
12/13	3	2	.5	5.5	140	25
13/14	4	1	.5	5.5	196	36
14/15	5	1	.5	6.5	178	27

¹Includes Development Agreements and all planning application types

²Excludes Assistant City Manager for CDD and CD Director Resources

As the above table shows, the number of applications per Planner was the highest in FY 11/12, since there were less planner resources that year. The number of applications per planner for the other years shown is below the average national average for every fiscal year, except FY 13/14.

Although we received considerable negative feedback about lengthy processing timeframes, it appears that some of the processing challenges are likely related to the

various organizational issues that we noted in this report, such as training, coordination, file management, communication and morale issues. We also noted a number of process issues (see “Process Issues” heading below), such as lags in project assignment, an unstructured DRC process, the lack of performance standards and readily available data. There were no work backlogs reported in the Division.

Although a detailed staffing analysis was not performed for the Current Planning Function because labor data was not available, it appears that staffing is adequate even considering our below recommendation to have Planner’s assume some CEQA processing responsibility. In addition, more processing capacity should become available once the new Associate Planner is fully trained and the TRAKiT system is fully utilized. The Division should continue to utilize outside consulting help to handle spikes in development activity until such time that it can be shown through a detailed staffing analysis that development activity can support the hiring of additional full-time staff.

117. *Recommendation:* The Division Manager should create a staffing model for Current Planning using labor hours derived from the Planning Division fee study that is in progress, as well as available CEQA consulting data, to conduct a staffing analysis to determine appropriate full time staffing levels for the Division.

Other Division Staffing

Our interviews with staff indicated that a GIS position is needed in the City to assist in enhancing, updating and maintaining the GIS system and provide a greater level of GIS integration with the new TRAKiT system. We understand that the Assistant City Manager for Community Development is requesting a new fulltime GIS Manager position that will be dedicated to bridge the GIS service gaps in the Community Development and Community Services Departments and the Police Department, which is excellent. Funding for the Position is anticipated to be spread through the Internal Service Fund.

See Recommendation #19 above, regarding our support for a new GIS position.

Telephone, Emails, Telephone System

An earlier recommendation in this report established that all phone calls and emails are to be returned by the end of the day. Staff indicated that there is a widespread problem in the Division of answering phones and returning calls and emails in a timely manner. Staff indicated that calls are often intentionally unanswered because

the centralized phone receptionist chronically routes calls erroneously, which frustrates and overburdens staff.

Additionally, calls are generally filtered through a central receptionist, which does not routinely perform adequate screening in order to route callers to the correct staff person.

118. Recommendation: The City Manager should ensure that the Central Receptionist function receives adequate training to filter incoming calls so that they are routed to the appropriate staff.

Also see our above recommendation to front provide reception staff with additional training to filter calls more effectively.

A formal return email and phone call policy should be included in the Division's Policy & Procedures Manual that requires all staff to return all phone calls and emails before the end of the day to further the City's overall goal of providing excellent customer service. This was included in an earlier recommendation.

Training/Cross Training

Staff indicated that some training has occurred outside of the office in recent years, however, staffing constraints have left staff with little time to attend outside training. In addition, some staff and focus group interviewees reported that additional supervisory training appears to be necessary for managers and supervisors, as well as development review processing training for some contract planners and newly hired planners.

For example, it was widely reported that some contract planners are not adequately supervised and are not properly trained on the City's development review process, code interpretation practices, policies, philosophies and file maintenance requirements. As a result, development review processing and file maintenance varies significantly among planners. These differences have created frustration for developers and regular full time planning staff. For example, regular full time staff must take over contract planners' projects at the implementation stage (e.g., building and engineering permit processes) because Contract Planners only process current planning projects through the decision-making stage (e.g., Director, Planning Commission and/or Council approval). Processing and file maintenance differences among contract planners and regular full time staff often prevents a seamless transition, which slows processing.

In addition, there is a perception by some that newer planners are not being appropriately integrated into the City's system and instead have been inserting their

former practices and philosophies, which is adversely changing the culture in some instances.

In an earlier part of this report we recommend that all functions set aside 2% of the personnel budget and 5% of employees' time for training.

A review of the Fiscal Year (FY) 2015/16 budget showed total personnel salaries at \$1,044,857 for the Division. The total training allocations, which include training, conferences, meetings, memberships, and subscriptions, totals \$25,567. Zucker's general rule of thumb is to set aside at least 2% of the Division's Personnel Budget for annual training of employees, which equates to \$20,897 (e.g., 2% of \$1,044,857). The training budget that has been allocated is likely sufficient to provide needed supervisory and training for staff.

However, it appears that more time needs to be allocated for internal and external training of professional staff. We typically suggest that about 5% of staff's time be devoted to annual training. The new TRAKiT system will also add to training needs. *See also our recommendations under "Policy & Procedures Manual" regarding creating/completing a Policy Manual to assist with training of new employees and cross training of existing employees.*

D. POLICY ISSUES

Expedited Review

The Division offers an expedited development review process for an additional fee that is open and available to any developer that elects to pay for the service, whether residential or non-residential or economically important or not that is intended to provide a quicker review service to customers, without compromising project quality and city policies and regulations.

We are advocates of these types of services as long as the fees charged for the service are transparent and the City is able to demonstrate added value to justify the added cost.

See our discussion and recommendation under the "Fees" heading of this section regarding using a labor based methodology to update fees and showing expedited fees on the updated fee schedule.

To demonstrate the value of the expedited review service, as well as justify the additional fees to customers, best practice communities establish Performance Standards for expedited review services that are tracked, monitored and compared

against standard review Performance Standards to determine whether Standards are being met and often. The data also allows them to ensure that enough staff are available to accommodate service demands, which is particularly important in communities, such as this, that offer the service to any project (e.g., as opposed to some communities that only offer the service to applicants with key economic development projects).

The City has not established performance standards for expedited review services or standard review services and data was not available to show that expedited reviews consistently occur more rapidly than standard reviews.

Staff indicated that the utilization of contract planners increases the processing capacity of the Division and ensures that expedited projects are processed and managed quicker than they could be by regular full time staff. While we agree that the utilization of contract planners does expand available staffing resources, we are not convinced that applicants paying for expedited services are consistently receiving more rapid development review processing, since data is not available to demonstrate such. For example, we heard from staff and focus groups that engineering reviews are chronically late.

119. *Recommendation:* The Community Development Director should establish Performance Standards for expedited review, which should be included in the TRAKiT system and tracked, monitored and reported, weekly.

See the “Performance Standards” heading for recommended Performance Standards.

GIS System

Staff reported that the GIS system needs to be further enhanced and updated so that it offers a reliable, accurate and robust tool for the Division and other City functions. Staff noted that a GIS operations plan has not been established so there has been inconsistent effort expended to update and manage data layers (e.g., addresses), so data is not reliable.

In an effort to make the system more robust and accessible to Planners and other internal users, one of the Planners voluntarily added data layers and created a web based mapping system, titled “MH Maps,” and we applaud the Planner’s efforts in this regard. However, maintaining this this voluntary work effort has proven to be challenging since it competes with more pressing work priorities. As such, the system has not been fully updated in nearly 5 years.

Maintaining the City's GIS system is particularly important now because the City has purchased TRAKiT, which is a geospatial-based (e.g., GIS) computer software and data management system to integrate planning, building, fire, public works (e.g., engineering) and business license system permitting systems.

We understand the Department has requested a new position for the upcoming budget that will be charged with enhancing and maintaining the City's GIS system, which is excellent.

See our recommendation under the "staffing heading above regarding adding a GIS position in the Department

Planning Commission

Overview

The Planning Commission (PC) is authorized by Title 2, Chapter 2.36 of the City's Code of Ordinances. It is a seven-member Commission and each member serves a term of 4 years.

The PC has a fairly broad scope of responsibilities including acting as an advisory body to the city council on matters related to city growth and development, a recommendation body for legislative acts such as Zoning Code Amendments, an appeals body for Director-level decisions and a decision-making body on numerous types of planning applications (PA's) such as conditional use permits and parcel maps. It also serves as decision-making body for the designation of cultural resources and historic districts and permits sought to remove or demolish a cultural resource, cultural resource site or historic district. Appeals concerning cultural resource decision can be made to Council.

Meetings are held monthly on the second and fourth Tuesdays of each month at 7:00 p.m. in the City Hal Council Chambers, however, to accommodate lengthy agendas, meetings are advertised to begin as early at 5:30pm, when needed. Additional meetings are held when deemed necessary. Currently audio and video recordings (e.g., Granicus system webcasting) are made of each meeting and summary minutes are prepared by the Municipal Service Assistant. The Granicus system allowed us to review a recent meeting, which is excellent. We also reviewed the most recent set of minutes posted online, which was helpful. In addition, Cable subscribers can watch live meetings in their home on Channel 17. Staff has also included meeting protocol policies on the face of each agenda, which is a good practice.

In reviewing the PC Minutes that have been posted online, it appears that Minute preparation is fairly up-to-date and posted online and available to the public under the “Commission and Boards” tab on the City’s Website.

The PC meeting schedule appears to be adequate to meet the caseload, in that meetings are occasionally cancelled when caseloads wane and special meetings can be held when activity peaks or special projects need to be heard.

Agenda Packets

Interviews with Commission members and staff indicated that electronic agenda packets are downloaded into Drop Box, typically 4 calendar days prior to the Tuesday hearing, so that they are immediately accessible to members. However, some PC members feel that 4 days is insufficient time to review multiple packets for larger agendas, where several complex projects are scheduled to be heard. We agree. Best practice communities typically provide a minimum of 7 calendar days for review.

120. *Recommendation:* The Community Development Director should establish a formal policy and include it in a policy and procedures manual to require agenda packets to be distributed one week (7 calendar days) prior to the scheduled PC meeting/hearing.

According to interviewees, the PC members have been using I Pads for about 3 years to review agenda materials, which is good.

However, some PC members still receive paper plan copies as they prefer to review paper copies of plans because they are difficult to read electronically. We understand this perspective, however, the City prides itself in being sustainable and needs to move away from preparing and distributing paper copies in order to further its goal of becoming less paper dependent. It may also be useful to have commissioner training on reading electronic plans.

121. *Recommendation:* The Planning Commission should work towards receiving only electronic agenda materials and receive training to read electronic plans, if needed.

Joint Study Sessions with the City Council

Interviewees stated that the PC has been having on going Joint Study Session Meetings with the CC as part of the Morgan Hill 2035 project, which is good. However, some of our interviewees believe that Bi-annual Joint Meetings should also

be considered to discuss issues, receive mentoring, align the vision, goals and objectives and build trust and rapport, which is a typical best practice.

122. *Recommendation:* The Community Development Director should schedule bi-annual joint study session meetings between the PC and the City Council.

Meeting Efficiency

We did receive feedback from focus groups and others that Planning Commission meetings sometimes run very late, which can be challenging for all participants and attendees. A few interviewees expressed concern that the meetings are lengthy because PC members debate issues that are beyond their scope of review (i.e. Design review issues), and public testimony should be managed more effectively.

The members interviewed stated that they have begun to proactively manage agendas to ensure that simpler projects are moved to the beginning of the agenda, so that these applicants are not waiting around for hours for their project to be considered, which is a good practice. In addition, the Commission strives to complete meetings by 11:00 pm, when possible.

Orientation/Training for PC New Members

Interviewees stated that there are 3 new Members on the Commission, including 1 added in the last year and 2 added in the last six months. New members attended an orientation meeting and training was provided. In addition, Members attend League of California Cities Planning Commissioner training and are coached and mentored by tenured members.

We received some negative feedback from focus group members that some newer members may need additional training so that they gain a more comprehensive understanding of their scope of review and city policies and regulations, which impacts meeting efficiency. We were told that CDD staff has been scheduling subject matter workshops with the PC to help raise newer Member skill levels, including a recent Design Review workshop with the American Institute of Architects, which is good.

123. *Recommendation:* The Community Development Director should work with the Planning Commission Chair to identify additional training needs for the Commission and provide training as soon as practicable.

Staff Presentations/Management Attendance at PC

Staff members present their own cases to the PC via PowerPoint, which is a current best practice. Staff indicated that they strive to provide a comprehensive review of

development proposals in their staff reports so that they produce consistent analysis of projects to decision-makers and PC members generally agree that this occurs.

However, it was reported by some interviewees that presentations are somewhat inconsistent among staff members and there is a need to ensure that all presenters have a command on their projects and applicable regulatory scheme so that answers can be provided at the meeting.

Best practice communities typically increase presentation consistency by utilizing presentation templates, providing training/coaching on presentation skills presentation and discussing issues in advance of hearings to ensure potential questions are anticipated and can be answered.

124. *Recommendation:* The Community Development Director should consider establishing a PowerPoint template and include in the Policy and Procedure Manual, providing presentation training and instituting pre-hearing discussion with planners as described above.

Staff Support/Accessibility

Commission Interviewees reported that staff is generally cooperative, helpful and accessible.

Training/Roles and Responsibilities

PC interviewees indicated that new PC members receive orientation training and packets and that on-going internal and external training on ethics, ex parte communication, roles and responsibilities, industry trends and other matters through the League of California Cities, which is a best practice and that members attend annual Conferences on a rotating basis.

Policies & Procedures Manual (PPM)

The Development Services Technician (DST) created a PPM for Administrative Processes in December 2015 that outlines procedures related to the Municipal Services Assistant and DST duties (e.g., over-the-counter processes, etc.) in order to facilitate training of new employees and raise consistency and competency, which is excellent.

In addition, an outdated PPM Manual for the Department exists, that is titled, "Community Development Department - Policies and Procedures Manual," that consists of processing procedures relating to City Council, Planning Commission, the Architectural Review Board and other miscellaneous provisions.

Given that we received considerable negative feedback during our interviews about customer service and project management inconsistencies between tenured staff, newer staff and contract staff, we believe that the PPM should be updated to be used as a management tool to help train new staff and ensure that all staff have a clear and consistent understanding of work practices and performance expectations including work quality, accountability, professional demeanor, customer service and to facilitate more seamless project transitions between contract planners and regular fulltime planners. Topics should include:

- Preliminary and Conceptual Planning Review processing protocols;
- Planning Application processing procedures for all application types;
- Project management protocols;
- Design Review Committee (DRC) procedures and expected outcomes;
- Record keeping and file maintenance (paper and electronic) and close-out methods;
- Staff report and presentation formats and practices;
- Customer service standards and communication requirements, including return email and telephone policies;
- Field inspection protocols; electronic file and record keeping requirements; and
- Other policies that establish performance expectations.

125. *Recommendation:* The Community Development Director should update the Policy & Procedures Manual for Department as described above.

Zoning Code (Title 18)

The City is currently comprehensively updating its Zoning Code as part of the Morgan Hill 2035 project to improve cross referencing, eliminate jargon and legalese, resolve interpretation issues, update definitions and include more tables so that the document provides a more modern format that is easier to follow, which is excellent. The City selected a consulting team led by The Planning Center | DC&E for this effort.

However, some staff interviewed stated Planners are not receiving adequate updates on the progress of the project and tenured staff should be providing more input/feedback.

126. *Recommendation:* The Community Development Director should require the project manager for the Zoning Code update to provide regular progress updates to Division staff during weekly meetings and obtain input from tenured staff.

Interviews with staff indicated that zoning interpretations need to be consistently documented so they are not readily accessible to staff and applicants.

127. *Recommendation:* The Community Development Director should ensure that all code interpretations are documented, electronically accessible, and searchable. They should also be available on the website for customer access.

Staff also reported that there might be opportunity to further streamline the development review process for some applications. For example, the Architectural and Site Plan Review application process is an unnecessary extra step in the case of some bundled projects, as the application submittal requirements are largely the same. An Architectural and Site Plan Review application bundled with a Conditional Use Permit (CUP) requires largely the same submittal materials, but the Planning Commission approves the CUP, while the Director approves the Architectural and Site Plan Review application.

F. PROCESS ISSUES

Overview

Planning Division application processes vary depending on the type of application submitted, as shown in the following section, applications are reviewed and approved by several different entities, including, staff, the Board of Zoning Adjustments & Appeals, the Planning Commission and the City Council.

Decision Making Authority

Table 21 below shows the Decision Making Authority for planning applications.

Table 21
Decision Making Authority for Planning Division Applications

Planning Division Application Types	Staff	CDD Director	Planning Comm. (PC)	City Council (CC)
Annexations	R	N/A	RE	D
Architectural and Site Plan Review	R	D	A	A
Commercial Administrative Use Permit	R	D	A	A
Conceptual Plan Review	R	N/A	N/A	N/A
Conditional Use Permit	R	N/A	D	A
Conditional Use Permit, Wireless	R	N/A	D	A
Cultural Resource Alteration	R	D	D (w/CEQA)	A
Cultural Resource Demolition	R	N/A	D	A
Cultural Resource Designation	R	N/A	D	A
Development Agreement	R	N/A	RE	D
Development Agreement Amendment	R	N/A	RE	D
Downtown Administrative Use permit (DAUP)	R	D	A	A
Exception to loss of building Allocation	R	N/A	RE	D
Extension of Time	R	R	RE	D
Final Map	R	N/A	N/A	D
General Plan Amendments	R	N/A	RE	D
Interim Use Permit	R	N/A	RE	D
Lot Line Adjustments	D		A	A
Lot Mergers	R	N/A	N/A	D
Measure C (RDCS)	R	N/A	D	A
Micro Measure C	D	N/A	D (When Set aside is exceeded)	A
Minor Exceptions	R	D	N/A	A
Out of Agency Contract for Services	R	N/A	N/A	D
Parcel Map (tentative)	R	N/A	D	A
Preliminary Measure C	D	N/A	A	A
Preliminary Plan Review	R	N/A	RE	RE
Signage Permit	R	D	A/D (When CUP or Variance)	A
Specific Plan & Amendments	R	N/A	RE	D
Subdivision Exceptions	D	A	A	A
Temporary Banner Permit	D	A	A	A
Temporary Use Permits	R	D	A	A
Tentative Map (TM) /Vesting TM	R	N/A	D	A
Transfer Permitted Development Rights	R	N/A	RE	D
Tree Removal (Cutting) Permit	R	D	A	A
Urban Service Area Adjustment	R	N/A	RE	D (To apply)
Variances	R	N/A	D	A
Zoning Amendment	R	N/A	RE	D
Zoning Confirmation	D	N/A	A	A
Zoning Permit (Required for all bldgs. structures and before starting commercial or industrial activities)	D	N/A	A	A

R = Review RE = Recommendation D=Decision A=Appeal N/A= Not Applicable

As the above table shows, the City has created a Decision Making Authority structure for the Planning Division, where the staff or Director has administrative decision-making authority on fairly routine and applications, such as Conceptual Plan Reviews, Downtown Administrative Use Permits, Minor Exceptions, Lot Line Adjustments, Subdivision Exemptions, Sign Permits and others noted in the table above. In California best practice communities, we often see that the less complicated applications, which may be exempt from CEQA, are approved at the staff and/or Director level, often over-the-counter.

The Planning Commission (PC) has been given recommendation authority on legislative acts, such as Annexations, General Plan Amendments and others and decision-making authority on Use Permits, Cultural Resource applications, Measure C Residential Development Control System (RDCS), Parcel Maps, etc. In addition, the PC acts as an Appeals body on Director decisions, which is a typical decision authority structure.

The City Council has authority for legislative acts, such as General Plan and Zoning Amendments. The Council also makes decisions on Development Agreements that are largely associated with the Measure C RDCS, Lot Mergers, Extensions of Time, Interim Use Permits and others.

Best practice communities are increasingly delegating more decision making to the PC and Director/staff level, so that council is focused on legislative decision-making, appeals and other matters, which is generally the case in Morgan Hill, as such we do not recommend any changes to the decision-making authority structure.

Administrative Over-the-Counter Approval Processes

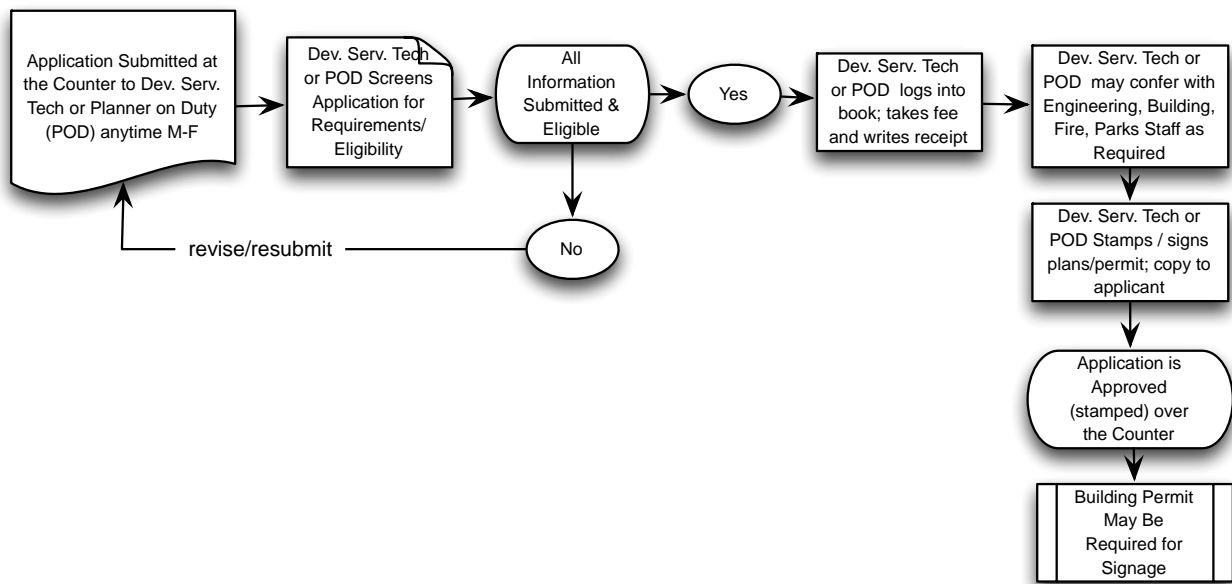
Best Practice communities have generally incorporated the philosophy of allowing administrative approvals for routine types of applications, such as sign permits, minor exceptions/deviations and minor amendments. To facilitate over-the-counter approvals, simplified submittal requirements and approval criteria are adopted for these processes. We are advocates of over-the-counter processes because they expedite approvals on routine applications and free up staff time to focus on more complex applications.

Staff stated the only planning application permits processed over-the-counter are Sign Permits and Temporary Banner Permits because they do not require public notice (e.g., adjacent property notice). The Development Services Technician and Planner on Duty (POD) are generally responsible for processing over-the-counter planning permits. Tree Removal Permits are not processed over-the-counter as we have seen in other communities, due to the public notice (e.g., posting) requirements, which is appropriate given that tree resources are controversial in the City.

In addition to processing the above planning application permits, the Development Services Tech and POD will also review and sign off on routine building permits, such as basic accessory structures that meet required setbacks and height limitations.

Figure 8 below, shows the general flow of a typical over-the-counter planning process for administrative approvals.

Figure 8
General Over-the-Counter Administrative Approval Process



The process typically takes less than 20 minutes, but processing time is not yet measured (see our below recommendation for establishing a performance measure for serving walk in customers). The process generally works as follows:

1. The applicant makes a submittal at the Development Services counter anytime during normal business hours, Monday through Friday to either the Development Services Technician (DST) or the Planner on Duty (POD), whoever is available;
2. The (DST) or (POD) reviews the submittal against a checklist to make sure it is complete, meets code requirements and is eligible for over-the-counter approval;
3. The Planner logs the project into the log book and the Tide Mark Permit Tracking, takes in the fee and provides a written receipt;
4. The (DST) or (POD) may collaborate with building, fire, engineering or others as needed to review before approving;

5. The (DST) or (POD) signs the plan/permit and provides a copy to the applicant.

Conceptual Plan Review/Preliminary Plan Review Process (non-Measure C)

Conceptual Plan Review (CPR) and Preliminary Plan Review (PPR) are two types of optional pre-application processes offered by the City that allows the applicant to obtain feedback on a proposed project prior to submitting a formal application.

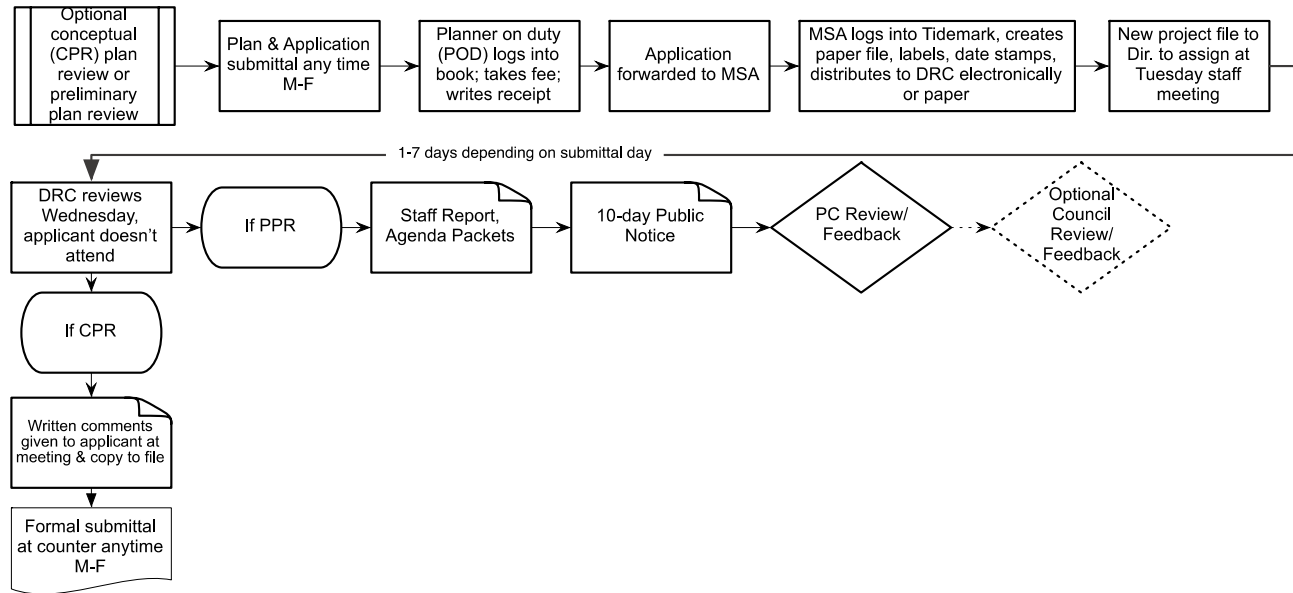
We discussed the Conceptual Plan Review (CPR) and Preliminary Plan Review (PPR-non-Measure C) Processes with staff and examined the handouts for each. We were told that the main difference between PPR and CPR is the PPR process is used for very large, complex and controversial projects and includes Planning Commission and/or Council review, while the CPR only includes staff review. Staff indicated that the PPR process is not used very often. In addition, there is a significant application fee difference between the CPR and PPR (e.g., \$2,731 and \$4,702, respectively). The PPR is more costly to account for the related staff report, agenda and PC meeting staffing.

The handouts for the PPR and CPR add confusion to these processes, as there is no mention of PC and/or Council review in the PPR handout. Additionally, the handout for the CPR states that the process is intended to allow for the initial review and feedback of plans by the Community Development Department staff, while the handout for the PPR states that the process is intended to allow for schematic review of plans for Architectural and Site Review by the Community Development Department and Development Review Committee. The submittal materials for these two processes appear to be the same.

See the “Handout” heading regarding our recommendation to update the CPR and PPR handouts to describe these processes to users more completely; and the “Fee” heading for our recommendation to further distinguish Preliminary Plan Review Fees from Conceptual Review Fees.

The major steps in the CPR and PPR process are shown in Figure 9 below. A more comprehensive summary of the process follows.

Figure 9
Conceptual Plan Review (CPR) and Preliminary Plan Review (PPR) Process



1. An application is submitted to the Development Services Technician (DST) or Planner on Duty (POD) at the Division Front Counter along with the required fee, and application materials, anytime Monday through Friday.

See our earlier recommendation under the “handout” heading regarding working with IT to create fillable online planning applications

Application materials for both the CPR and PPR are the same and include a completed application, an application fee, 5, full sets of plans, 3 reduced sets of plans and 1 CD of the plan set in .pdf format, a habitat plan and a letter with project questions.

We agree with the City’s practice of requiring a CD plan set, while the City works towards launching its new electronic data collection and permitting system.

128. Recommendation: The Conceptual and Preliminary Plan Review processes should be included in TRAKiT to allow for online electronic submittal and payment and electronic review.

2. The DST or POD reviews the application and submittal materials (e.g., screen check review) against a checklist to ensure that all required information has

been included in accordance with the Division's checklist and if so, logs the application into the paper log book, calculates and accepts fees and provides a written receipt to the applicant.

We received feedback from some staff that incomplete applications are accepted at times.

129. Recommendation: The CDD should issue a formal policy to reject incomplete applications and include it in the updated PPM.

3. The application materials are forwarded to the Municipal Services Assistant (MSA), who logs the project into the Tide Mark permitting software system, creates a paper file with a case number and date stamps and labels all materials. The MSA then distributes materials electronically or by paper copies, (e.g., depending on the reviewer) for a 14-calendar day review to city DRC members and external reviewers, which may include staff in the Police Department, Building, Public Works, Fire, Housing, Santa Clara Valley Water District, Santa Clara Valley Transportation Authority, Pacific Gas & Electric and Morgan Hill Unified School District.

Staff has created an application routing form that specifies which reviewers receive application materials by application type. Staff stated that plans are not uploaded into Tide Mark. Staff indicated that less complicated plans are routed electronically, while more detailed plans are routed in paper form.

See above recommendation regarding electronic submittal, which will eliminate the paper log and submittal practice.

The 14-day review period is not considered a formal Performance Standard by the CDD or reviewers and is often not met by some reviewers, particularly Engineering.

130. Recommendation: The CDD should establish a review Performance Standard for the Conceptual and Preliminary Plan processes.

See our recommendations under the "Performance Standards" heading for recommended standards for this process and the "Data/Reporting" heading about reporting on Performance Standards.

4. The project file is forwarded to the CDD who assigns the project to an available planner at the weekly Tuesday staff meeting. Depending on the submittal day, the project is assigned between 1 and 7 calendar days of submittal.

131. Recommendation: Responsibility for project assignment should be delegated to a Senior Planner if needed, to free up the Director's time to

ensure that projects are immediately assigned to an available planner, regardless of the submittal day until the TRAKiT System is launched, which should provide for new project notification to Director or Designee to facilitate immediate electronic assignment.

5. A copy of project file materials is then given to the Senior Planner that has been delegated Design Review Committee (DRC) meeting operation responsibility. The Senior Planner takes the file materials to the next regularly scheduled Wednesday DRC meeting and introduces the project as a new project to DRC members.
6. At the next regularly scheduled DRC meeting, seven days later, the project is fully discussed by the DRC participants. Applicants are not invited to the DRC. Instead, the assigned planner will meet separately with the applicant to discuss issues that were identified by the DRC, if needed.

See our recommendations under the “DRC” heading below, regarding recommendations for inviting the applicant and improving the DRC function.

7. DRC member comments are due within 14 calendar days by written memo or by email. Staff stated that DRC comments are not uploaded into Tide Mark.

132. Recommendation: DRC comments should be transmitted by email until the TRAKiT system is launched.

133. Recommendation: Once TRAKiT is launched, DRC comments should be documented and stored in TRAKiT.

8. Following the DRC meeting, the assigned Planner prepares written feedback and mails/emails a copy to the applicant. Staff indicated that a “Standard Conditions” checklist is utilized to communicate standard code requirements that are applicable to a project.

We received feedback that, at times, staff assigns standard conditions to a project, which do not apply, creating confusion.

134. Recommendation: DRC members should only assign standard conditions that actually apply to a project.

In our work studying best practice communities, we found that standardized worksheets (e.g., often in a checklist/note space for each discipline) are typically utilized in conceptual and preliminary review processes (e.g., pre-application review processes) to ensure that the key issues and topics are consistently discussed and communicated in each meeting, staff feedback is documented and provides detail that adds value to the applicant.

We believe a worksheet is an important tool that ensures meetings are valuable meeting for both staff and the applicant. The worksheet should confirm that the location of the project; the existing and/or proposed zoning; existing or proposed uses are appropriate; confirm that there are no outstanding compliance issues on the property; confirm the land status of the property to the extent possible; outline staff's initial determination as to whether the existing zoning is suitable for the intended uses; whether the proposal is consistent with the General Plan and other Policy documents, such as utility service policies and other Master Plans; a list of all development applications/processes required for the proposal; including the need for any variances/ use permits, subdivision process, etc.; special design review overlay or development standards that apply to the property or will be needed to mitigate known issues; an approximate time line to complete the required processes; an initial analysis of potential community issues, circulation, drainage, erosion control, lighting, landscaping, access, utility service, and storage issues; anticipated required improvements; and all fees required, including application fees and impact fees (if any).

The assigned case planner (Project Planner) should be responsible for ensuring that the worksheet is completed at the close of the meeting and that a copy is transmitted promptly to the applicant.

135. *Recommendation:* The Planning Division should create a worksheet in consultation with other designated City reviewers that includes the standard review items associated with review discipline's scope of review, as suggested above, and the assigned Project Planner should be responsible for ensuring that each discipline provides a copy of their completed worksheet at the close of each meeting, which is transmitted promptly to the applicant and filed.

9. If application is for a Preliminary Plan Review, the application is also reviewed by the Planning Commission and might also be reviewed by Council, if requested by the applicant.
10. For Planning Commission (PC) review, the project is placed on a PC agenda (e.g., typically tentatively scheduled for PC by the MSA upon submittal) and the assigned planner prepares a staff report, which is distributed electronically

via Dropbox software after being finalized by the Director to PC members about four calendar days prior to the meeting.

See our recommendations under the “Planning Commission” heading in the Policy Issues section regarding recommendations earlier distribution of PC agenda packets.

11. The PC will review the project and provide feedback. Staff will convey PC feedback in writing following the meeting.
12. If the applicant has requested Council review, which is rare, the project is placed on a Council agenda and the assigned planner prepares a staff report, which is distributed electronically by the City Clerk prior to the meeting. Staff will convey Council feedback in writing to the applicant following the meeting.

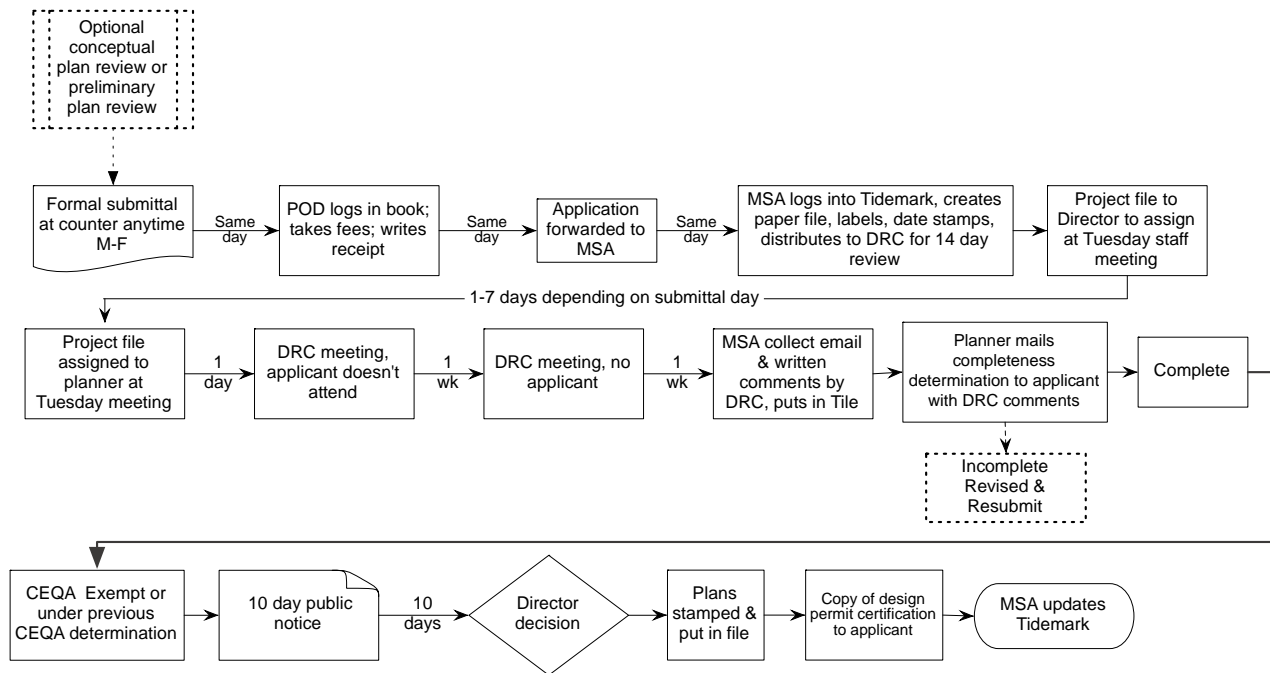
Director Administrative Approval Process

A number of planning applications are approved administratively (e.g., staff and director), but can't be processed over-the-counter (see Over-the-Counter Approval process above) because they require additional staff and/or environmental analysis (e.g. CEQA) and public notice before a final decision can be rendered.

Applicants have the option of applying for a Conceptual Plan Review (CPR) or Preliminary Plan Review (PPR) before submitting a formal application.

Figure 10 below shows the *general* steps in the Administrative Director Approval process. A summary of the steps follows in the text below.

Figure 10
Director Administrative Approval Process



An optional non-RDCS Preliminary Plan Review or Conceptual Plan review meeting is held following the submission of a completed application, fees and required application materials (see “Conceptual Plan Review” heading above for details).

2. An application is submitted to the Development Services Technician (DST) or Planner on Duty (POD) at the Front Counter along with the required fee, and application materials, anytime Monday through Friday.

See our above recommendations regarding the creation of a fillable application and rejecting incomplete applications.

Application submittal materials vary somewhat by application, but generally include a completed application, full sets of plans, reduced sets of plans, a CD of the plan set in .pdf format, contiguous or surrounding property list, affidavit and stamped addressed envelopes, title report, photos, justification letter and fees.

136. Recommendation: The Director Administrative Approval process should be included in the TRAKiT system to allow for online electronic submittal, payment, and review.

3. Steps 2 through 7 are generally the same as those outlined in the Conceptual Plan Review process outlined above, except that after the 2nd DRC meeting, where the project is discussed by the DRC team, the assigned Planner makes a determination as to whether the project is complete or incomplete.

Staff's completeness determination is outlined in a letter along with any conditions of approval or comments generated by the DRC and forwarded to the applicant via mail and/or email.

137. *Recommendation:* Performance Standards for the Director Administrative Approval applications should be established for up to 3 review cycles and included in the TRAKiT system.

See the "Performance Standards" heading for our recommended standard for this process.

See our below recommendation regarding excluding this process from DRC meetings, unless unusual circumstances exist.

Staff noted that projects that are categorized as Director Administrative Approval are less complex and more routine and typically either exempt from the California Environmental Quality Act (CEQA) or are covered under a previous CEQA project and determination, so a completeness determination can be provided at this time.

8. Following the completeness determination, a 10-day public notice is provided. The type of notice provided (e.g., contiguous property, property posting or surrounding property notice), depends on the application type.

The Division currently requires the applicant to obtain and submit property owner lists for public notices as well as stamped envelopes to shift the labor and cost for public notice to the applicant, which is not unusual. However, once the TRAKiT system is launched, property owner list production, envelop preparation and mailing should be transferred to the Division to facilitate electronic submittal. Costs for these activities can be passed along to the applicant. In addition, City generated lists and mailings may help to improve mailing accuracy.

138. *Recommendation:* The Division should assume the property owner list, label production, envelop stuffing and postage and mailing responsibilities as part of the TRAKiT launch to facilitate electronic submittal and recover these costs from the applicant.

9. The Director renders a final decision following the public notice, after collaborating with the assigned project planner.
10. The assigned project planner stamps the plans and a copy is placed in the file. A Design Permit Certification (e.g., required for all buildings, structures, improvements) is issued and forwarded to the applicant through mail and/or email
11. The MSA updates Tide Mark to show the status of the application.

The general flow of the Director Administrative Process is typical of those used by many of the communities we have studied, except that Director-level Administrative approval processes are typically excluded from the DRC process because they are routine and typically either exempt from CEQA or covered under another project determination. This practice is particularly common in communities that provide public notice as part of the process.

To streamline this process further, the Department should consider excluding it from discussion at a formal DRC meeting, except in unusual cases. Projects would still be reviewed by selected reviewers and comments/conditions provided to the assigned project planner in a prescribed timeframe.

139. *Recommendation: Director Administrative Approval applications should not be scheduled for a formal DRC meeting process, except in unusual cases, to streamline the process as described above.*

Design Review Committee (DRC)

Our focus group and staff interviews suggested that there is a need for the DRC meeting process to be streamlined so that projects are scheduled, introduced and discussed at a single meeting. In addition, interviewees indicated that meetings need to be more structured to ensure that assigned participants routinely attend and are prepared (e.g., plans are redlined, comments and issues outlined) so that meetings are effective and applicants receive decisive feedback, which can help eliminate the need for multiple reviews.

DRC meetings are managed by a Senior Planner, which is a typical arrangement we have seen in other communities. However, the assigned planner does not attend the meeting.

In this study, we discuss a “True Project Manager” system, where assigned planners are empowered to act as project managers throughout the life of the project (e.g., from “cradle to grave.”). A key activity of the “True Project Manager” is for the assigned

planner to lead the discussion of their assigned project at DRC so that issues can be highlighted and discussed and the planner can act to facilitate decision-making among the interdisciplinary DRC team when needed.

140. *Recommendation:* The DRC should continue to be chaired by the Senior Planner, but Planners should attend DRC meetings to lead the discussion of their project as a Project Manager, highlight issues and facilitate decision-making and challenge conditions of approval when needed, and ensure applicants are provided with decisive feedback to help eliminate the need for multiple review cycles.

The DRC is comprised of a cross-functional review team consisting the Fire Marshal, Building Division Technician, Associate Engineer, Police Analyst and Chemical Control Specialist. The Housing Division and Economic Development are invited participants, but do not attend regularly. In addition, it was reported that some members, such as Engineering are frequently not fully prepared, in that they have not yet completed their written comments and/or conditions, which are supposed to be sent directly to the assigned planner and MSA for filing.

141. *Recommendation:* The City Manager should direct all designated DRC participants to attend each meeting and arrive fully prepared with written comments and conditions that they are prepared to discuss.

DRC meetings are held weekly (e.g., Wednesdays), which is good. However, staff stated that agendas are not prepared for meetings and that projects are often scheduled for two consecutive DRC meetings.

Staff noted that some projects are scheduled for two DRC meetings due to the lag time between project submittal and the Director assignment. Since the Director assigns projects at the Tuesday staff meeting, there can be up to a one-week lag time between submittal and assignment of the project to a planner. So as a courtesy, the Senior Planner in charge of the DRC takes unassigned projects to the DRC to introduce them so the DRC members are aware that the project has been submitted and will be discussed at next week's meeting.

Earlier in this section, we recommend that projects immediately be assigned rather than waiting to assign them at staff meetings, which will eliminate the lag time issue.

In addition, the practice of requiring the Senior Planner in charge of DRC to schedule projects at a DRC for introduction only is unnecessary. In best practice communities, projects are scheduled for one DRC within two weeks of the submittal in order give

staff adequate review time to identify any “deal breaker issues,” as well as potential design and regulatory concerns.

Subsequent DRC meetings are only conducted when a project is required to undergo substantial revision/redesign. In addition, agendas are typically prepared for DRC meetings and are distributed in advance of the meeting. If the Division desires to inform DRC members about new projects that will be reviewed in future meetings, they can add a heading to the agenda to alert members of upcoming reviews.

142. *Recommendation:* Eliminate the practice of scheduling a project for DRC for introduction and only schedule new projects for a single DRC meeting within 2 weeks from submittal on or after the close of the 14-day review period.

143. *Recommendation:* Create and distribute a structured agenda for DRC that lists projects to be discussed and a summary of the meeting protocol (e.g., Senior Planner will chair, assigned project planner will introduce and lead discussion, participants will attend and be prepared, etc.) and email to scheduled applicants and post it on the Department web pages.

144. *Recommendation:* The CDD should create an annual “DRC Schedule,” which outlines the dates that the DRC meetings are scheduled and post it on the Department web page.

We also noted that application materials are routed either electronically or in paper format to DRC members depending on the complexity of the plans. Once TRAKiT is launched all applications materials should be routed electronically through the TRAKiT system to expedite the review process and reduce associated labor.

145. *Recommendation:* Use the TRAKiT system to route DRC materials to participants.

Currently, Planning Commission, Council and Director-level Administratively Approved applications are required to be reviewed in a DRC meeting. We believe that Director-level approved applications should be excluded from the formal DRC meeting process, except in an unusual case, because they are routine by nature. In best practice communities, we often find that only the more complex projects are taken through DRC to facilitate streamlining objectives.

See our above recommendation to exclude Director Administrative Approvals from the formal DRC meeting process.

We also discovered during interviews that the applicant is not invited to attend DRC meetings, when their project is scheduled for DRC. Instead the assigned Planner will hold a separate meeting after the DRC at a later date if needed or requested by the applicant.

We believe this practice is inefficient and reduces the effectiveness of the DRC and that every applicant scheduled for a DRC meeting should be invited to attend the meeting and be allowed to discuss identified issues with staff reviewers with the goals of developing potential solutions to issues. Written comments by DRC members should be collated by the assigned project planner in advance of the meeting, where scheduling permits and a copy given to the applicant at the close of the meeting.

146. *Recommendation:* The CDD should establish a formal policy and include it in the updated PPM, to invite applicants, whose projects appear on the DRC Agenda to attend the meeting to discuss the project with staff and to provide applicants with written comments at the close of the meeting.

Front Counter, Planning Division

There is a Planner on Duty (POD) system in place, which provides continuous counter coverage, which is a best practice. The DST and a Contract Planner have primary responsibility for counter coverage and the remaining regular FTE planners provide backup, on a rotating schedule as needed. POD's wear pagers to ensure that they are accessible during their shifts. In addition, the MSA position supports in-take counter activities by logging new projects into Tide Mark, date stamping, labeling and creating project files, distributing review materials and other activities.

Generally, the POD system is designed so that the DST covers the counter 3 days a week and the Contract Planner 2 days a week. Shifts are all day. Management staff indicated that they intend to integrate the new Associate Planner position into the POD system so that the DST and Contract Planner counter coverage is reduced, which is good. There are 4 workstations, equipped with computers at the counter and tables for plan review. The Building Division also has a counter and workstation equipped with a computer.

In addition to a POD, there is also a designated Engineer on Duty and Building person on Duty, which is good. We noticed that a calendar is posted to show the staff providing counter coverage from each function, which is good. Staff's business cards are displayed at the counter and provided to customers, which is also good.

Currently, the DST and POD have primary responsibility for handling the front Development Services Counter including phone inquiries, walk-in customers,

reviewing and approving over-the-counter planning permits (e.g., sign permits, temporary banners) and building permits (e.g., tenant improvements, small accessory structures, etc.), administrative use permits, and business license reviews, deposit processing and application submittals. Generally, the POD's will handle the TI and other building permit reviews and the DST handles the business license reviews and contract planner deposit processing.

There is a receptionist station to the left of the front counter, where walk-in customers sign in and are directed to the appropriate staff for assistance. Customers are served in the order received and their appeared to be adequate chairs and tables for customers to sit while waiting to be served.

Staff indicated that the Division has not established a policy to serve customers within 15 minutes, which is a standard typically used by best practice communities.

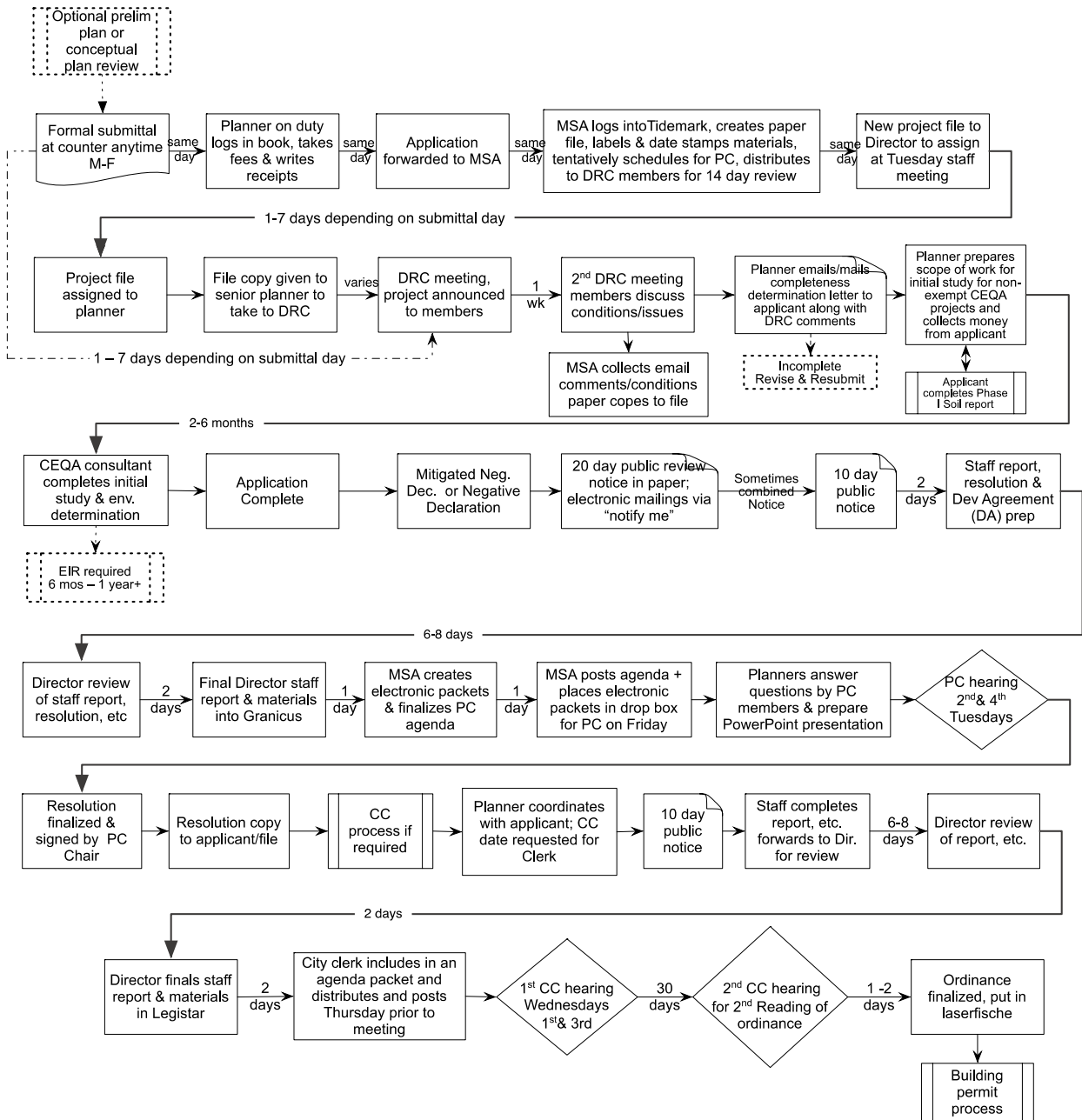
147. *Recommendation:* The Community Development Director should establish a formal 15-minute wait performance standard Front Counter customers, which should be tracked in TRAKiT, monitored and reported on quarterly.

Planning Commission and City Council Approval Processes

The steps involved in the Planning Application Approval process, vary, depending on the type of application, which determines whether it requires Planning Commission (PC) and/or City Council (CC) approvals.

Figure 11 below is a flow chart that shows the *general* steps in the existing PC and CC approval processes. A summary discussion follows.

Figure 11
Existing PC and CC Approval Processes



An optional Preliminary Plan Review or Conceptual Plan review meeting is held following the submission of a completed application, fees and required application materials (see “Conceptual Plan Review” heading above for details).

1. An application is submitted to the Development Services Technician (DST) or Planner on Duty (POD) at the Front Counter along with the required fee, and application materials, anytime Monday through Friday.

See our above recommendations regarding the creation of a fillable application and rejecting incomplete applications.

Submittal requirements for formal applications vary depending on the application type and staff has created submittal checklists to guide application processing and submittal screening, which is good.

Submittal materials generally include a completed, signed application, application fee/deposit, environmental assessment form, habitat plan, storm water post-construction development standards, when applicable, preliminary title report, varying number of full sized sets of plans and reduced sized plans, (e.g., depends on application type) one cd containing all plans in .pdf format, legal description, when applicable, public hearing requirements (e.g., surrounding property owner list, stamped addressed envelopes, mailing affidavit, public notice signs), justification letter, operations letter, when applicable, Additional submittal requirements are required depending on the application type.

148. Recommendation: The Planning Commission and City Council approval process should be included in the TRAKiT system to provide for online submittal, payment and electronic review and processing.

2. Steps 2 through 7 are generally the same as those outlined in the Conceptual Plan Review process outlined above.
8. Depending on the day the project is submitted (e.g., Tues-Friday), it may remain unassigned for up to 7 days because the Director assigns projects on Tuesdays at the weekly staff meeting. Unassigned projects submitted on Tues-Friday are given to the Senior Planner in charge of the DRC to take to the Wednesday DRC to introduce it to DRC members.

See our above recommendation to assign projects immediately. Also see our discussion under the “DRC” heading about eliminating the practice of the Senior Planner taking unassigned projects to a DRC meeting to introduce them and other recommended DRC improvements.

9. The project is discussed at a second DRC meeting, where applicable. DRC comments are emailed to the assigned project planner and the MSA and copies are placed in the file. Comments are not uploaded into the Tide Mark system. As described above, DRC reviewers are given 14 days to review new projects.

The Department has not formally established Performance Standards for up to three review cycles. We noted that the 14-day deadline is not always observed by reviewers, particularly Engineering.

149. Recommendation: Performance Standards should be established for the PC and CC approval processes for up to 3 review cycles and included in the TRAKiT system so that they can be tracked, monitored and reported on quarterly.

See the “Performance Standard” heading below regarding our recommended standards for PC and CC processes.

See our above recommendation about using the new TRAKiT System to record, store and transmit all DRC review comments for all planning application types.

The assigned project planner forwards a letter to the applicant by mail/email that includes DRC comments/conditions and outlines deficiencies that need to be corrected so that processing can continue. The staff review and application completeness cycle continues until the application is acceptable for further processing.

150. Recommendation: The TRAKiT system should include templates for staff review and other standard correspondences.

10. If the project is in acceptable form to continue processing, the assigned project prepares a scope of work for Initial Study per the California Environmental Quality Act (CEQA) for non-exempt CEQA projects and notifies that applicant that he/she must complete a Phase I soils report at their expense and submit the report as soon as it is completed. The cost of the Initial Study work effort is determined and applicant is notified that they must submit funds to cover the cost of the City’s CEQA Environmental Consultants performing work, including a 15% administrative fee that covers staff’s time managing the consultant.

11. Once the Initial Study (IS) funds are received, the CEQA Environmental Consultant begins the IS work, which can take 2-6 months depending on the issues (e.g., special studies, field work, etc.). A Negative Declaration, Mitigated Negative Declaration or Environmental Impact Report (EIR'S) is prepared. EIR's can take a year or longer to complete. Once the CEQA documentation is completed the project is deemed complete.

We have studied and worked for various California communities that use environmental consultants to complete all or part of the required environmental analyses and documentation pursuant to CEQA. For example, in some communities, staff is responsible for completing the Initial Study and where projects are found to have no significant environmental impact, staff completes the Negative Declaration documentation. Projects that are found to have no significant impact with mitigation, an Environmental Consultant is often engaged to further study various impacts and develop appropriate mitigations, resulting in a Mitigated Negative Declaration determination. Many of the communities we have worked or studied use environmental consultants to prepare Environmental Impact Reports and/or Statements, where significant environmental impacts would result from a project.

We received negative feedback from some focus group members concerning the City's use of environmental consultants to perform all environmental analysis and documentation (e.g., Initial Study and resultant determination and documentation) pursuant to CEQA (except under special circumstances) because it is more costly and time consuming. Staff indicated that the City utilizes environmental consultants to complete all required analysis and documentation under CEQA primarily due to training and workload constraints.

151. *Recommendation:* The City should consider requiring project planners to complete the Initial Study (IS) for all non-exempt CEQA project to determine whether significant impacts would result.

152. *Recommendation:* If the City requires project planners to complete Initial Studies for non-exempt CEQA projects, planners should be responsible for completing Negative Declaration documentation for projects found to have no significant impact.

153. *Recommendation:* If the City requires project planners to complete Initial Studies for non-exempt CEQA projects, Planners should be empowered to determine whether proposed Mitigated Negative Declaration determinations

(e.g., have potential impacts that can be mitigated to eliminate impacts) can be processed by staff or should be outsourced to qualified consultants for further study and development of appropriate mitigation measures.

154. Recommendation: The Community Development Department should continue to engage qualified environmental consultants to prepare Environmental Impact Report and/or Environmental Impact Statements for projects with significant impacts.

12. Projects are most often found to have no significant impacts or no impacts with appropriate mitigations and a Negative Declaration (ND) or Mitigated Negative Declaration (MND) is proposed.
13. A Notice of Intent (NOI) to adopt an ND or MND is provided for a 20-day public review and response period, pursuant to state law (e.g., direct mailings, property posting, newspaper, etc.). If comments on ND or MND are received the consultant prepares a response. Completion of this step varies depending on number of comments received.
14. Following the 20-day NOI, the project is placed on a Planning Commission Agenda and a 10-day public hearing notice is provided. The City uses “Notify Me” software to alert those who have signed up for the service, which is good. In addition, notices are posted on the City’s website, mailed to surrounding property owners within 300’, placed in the local newspaper and may also include property posting. Staff indicated that the 20-day NOI and 10-day public hearing notice are combined where possible, which is a good practice that provides interested parties with advance notice of hearings.

See our above recommendation regarding the City assuming the public notice responsibility as part of the TRAKiT launch to facilitate the online submittal process.

The assigned project planner uses Legistar software to prepare a draft staff report. Staff creates a single page cover in Legistar and uploads the staff report created in MS Word as an attachment to Legistar for PC reports. The report, PC resolution and Development Agreement DA (when applicable) are written using templates. Once complete the draft documents are forwarded to the Director for review and finalization. The Director edits the documents and finalizes the staff report and staff recommendation. This process, which

includes preparing and editing the report, typically takes about 8 days to complete.

We received negative feedback from focus group participants about the staff report finalization process. Participants stated that, at times, the Director has materially changed the content of the staff report and resolution and staff recommendation without input or notice to the assigned project planner or applicant. Because finalized reports are often unavailable until the Friday afternoon before the PC hearing on Tuesday, the applicant and assigned project planner have been blindsided by the changes and left with insufficient time to resolve any issues before the meeting. Various planning staff members and other interviewees also confirmed this practice.

We disagree with this practice and it is one that we have never seen in any best practice community that we have studied. The Director should not unilaterally make significant changes to staffs' recommendation, report, resolution and DA content without first discussing the changes with the assigned project planner before the report is finalized.

The project planner and director should be collaborating on staff recommendations before a report is finalized. Where the director determines that the project should not receive a positive recommendation as discussed and subsequently proposed by staff, the change should be thoroughly discussed with the assigned project planner before the report, resolution, etc., are finalized and included in the PC agenda packet. The planner should immediately contact the applicant about the director's desired changes so that the applicant can decide whether they want to proceed or continue the project so that issues can be resolved so that the project can receive a positive recommendation, if possible.

155. *Recommendation:* The Community Development Director should send edited staff reports, resolutions, DA's back to the assigned project planner to finalize, rather than finalizing the reports unilaterally, without discussion.

156. *Recommendation:* Where the Director finds that a positive recommendation proposed by staff can't be supported, the Director should thoroughly discuss the issues with the assigned project planner before changing the recommendation, finalizing the report and including it in the PC agenda packet. The assigned project planner should immediately inform the

applicant so that the applicant can determine whether they want to continue the matter to resolve the issues or proceed.

15. The finalized reports related documents and materials are included in an electronic agenda packet and placed in Drop box software by the MSA on the Friday before the Tuesday PC hearing. The MSA also posts the agenda on the City website and e-notifications are sent to Commissioners and others requesting notification.

See our earlier recommendation under the “Planning Commission” heading regarding delivering packets at least 7 days before a scheduled meeting.

16. The assigned project planner may receive email questions about the project from individual PC members that they answer prior to the hearing. The planner also prepares a Power Point presentation prior to the hearing.
17. The PC hearing is held on the 2nd & 4th Tuesdays. A final decision may be rendered or the project may be continued. The PC can deny, approve or approve the project with conditions. If the project involves an environmental document, the environmental document is adopted.
18. Following the PC hearing, the PC Chair signs the Resolution, and a copy is sent to the applicant and placed in the file. In addition, environmental notices are filed (e.g., Notice of Determination, etc.) and the file is closed following the expiration of the appeal period.
19. If the PC is acting in a recommending capacity on a project that requires City Council approval, the project proceeds through the City Council approval process.

City Council Approval Process

1. Following the PC hearing, the assigned project planner coordinates PC conditions and project revisions (if any) with the applicant and a Council hearing date is confirmed through the City Clerk.
2. A 10-day public notice of the Council meeting is provided, as described above, which may be concurrent with the staff report update process.

3. The assigned planner uses Legistar software to update the staff report and prepares a Council Ordinance. The staff report is created in Legistar software and the PC report is added as an attachment. The report and other documents are forwarded to the Director for review and finalizing.
4. Director reviews reports and documents for Council hearing.
5. Director finalizes reports and documents for Council hearing.
6. The City Clerk incorporates the materials into the electronic Council agenda packet and posts packets the Thursday before the Wednesday Council Hearing, which are held on the 1st and 3rd Monday of each month.
7. A Council Hearing is held and the first reading of the Ordinance is completed. The Council can deny, approve or approve with conditions.
8. A Second Hearing is held to conduct a second reading of the Ordinance.
9. Following the Second hearing, the Clerk finalizes the Ordinance, which is uploaded into Laserfische. The assigned project planner files appropriate environmental notices, completes project accounting and closes out the file.

Residential Development Control System Process (RDCS)

The RDCS is a residential growth pacing system approved by voter Initiative (Measure E) in 1977. Voters amended Measure E in 1990, through the passage of Measure P and again in 2004, through the passage of Measure C.

As noted earlier in this report, the City is currently studying the RDCS system for potential streamlining opportunities. As such, we provide only a brief summary of the existing process, rather than an evaluation, since it is a major processing effort in the Department.

The RDCS is an allocation process that occurs annually and developers/property owners that want to build residential housing units that don't fall under any of the established exemptions, are required to compete for the annual distribution of housing allocations.

Projects are evaluated under competition categories so that like projects are compared in order to ensure a fair review process. The Council decides the total number of annual allotments and the specific number of allotments by competition category, based on a formula. Projects that conform to the General Plan and Zoning Ordinance are evaluated against a series of standards and review criteria established for the

separate categories. Projects with the highest points are awarded a building allotment. Following an allotment award, entitlements must be secured through the development review process.

Applicants that are granted RDCS allotments must enter into a Development Agreement (DA) with the City that describes and outlines the project commitments, phasing and construction timing. Any proposed modification to a DA has to be considered by both the Planning Commission and City Council, even if the modification benefits the community or improves the project. As such, DA modifications can create construction delays.

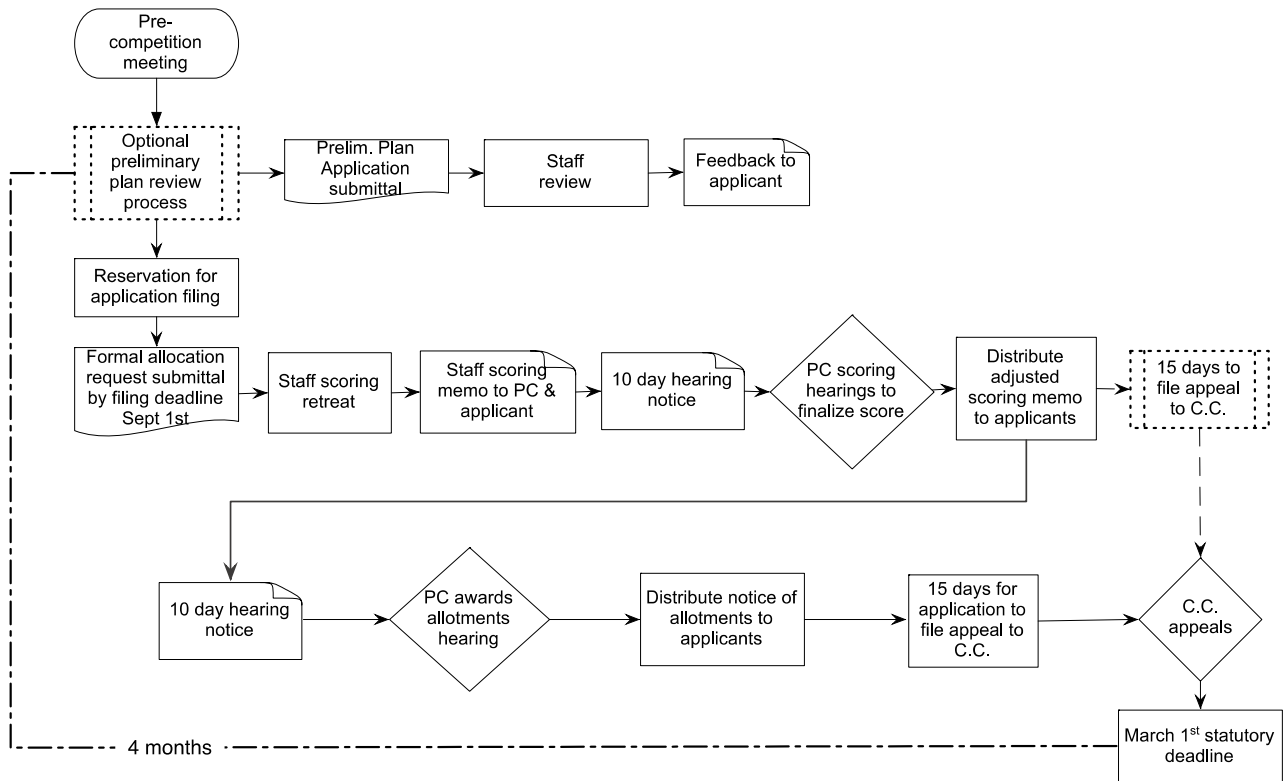
Applicants that are granted allotments are required to begin constructing the allotment by the end of the fiscal year for which the allotment was allocated. If they don't, they lose their allotment(s) and have to reapply for the allotment(s) through the competitive allotment process. The Council has discretion for granting extensions through a hearing process.

The Planning Commission (PC) determines whether to revise RDCS criteria annually. If the PC decides changes are needed, a working group is formed from that includes individuals from the development community, planning commission and council members. Recommended changes are then studied by a Sub-committee of the Planning Commission. Sub-Committee recommendations are then considered by the full PC in a public hearing. PC's recommended changes are then forwarded to the Council for final consideration and formal adoption as an Ordinance Amendment in a public hearing. The Planning Commission determined that revisions to the RDCS criteria would not be undertaken this year.

Currently, a major update of Measure C is underway and will be voted on in November. The replacement Measure would establish a 2035 population cap and provide a new competition manual (e.g., standards and criteria) and other potential features such as preliminary review requirements.

Administration of the RDCS process is fairly labor intensive and requires nearly 1 fulltime staff person, annually, to administer. Figure 12 below shows the milestone steps in the administration process.

Figure 12
RDCS Milestone Steps Process Flowchart



Staff indicated that the RDCS process will be included in the TRAKiT permit processing system, which is good. However, the workflow processes have not yet been completed for TRAKiT so staff is not sure whether online RDCS submittals are planned.

Staff noted that online submittal would be complicated by the fact that the City currently requires applicants to provide lists of surrounding/adjacent property owners for public notices, as well as stamped envelopes for city distribution of notices. The public notice procedures would need to be changed so that the City would produce public notice lists, mailing envelopes and postage.

See our above recommendation regarding the City assuming these tasks and charging the applicant accordingly.

157. Recommendation: The RDCS process should be included in the TRAKiT permit processing effort to allow for online submittal, payment, review, data collection and reporting.

Other Process Issues

Business License Reviews by Planning Division

Table 12 above shows Business License Review activities from 2010 to 2015. According to the data, the average number of reviews over this period was 266 and includes license reviews for home-based, fixed and professional classifications, as well applications for construction companies, apartment complexes, hotels and change of business address requests within Morgan Hill's city limits.

The Finance Department is responsible for managing and processing the Business Licensing system. Finance staff sends license applications for businesses located within the City to the Development Services Technician (DST, also known as the Planning Technician) for zoning review and approval, electronically via email. Business license applications that are outside city limits, but provide service in the City are only reviewed by Finance. The DST completes a zoning review and if appropriate, signs and prints the application form and sends to Finance for permit issuance. The DST will verify business licenses applications over the counter whenever possible, which is good.

Planning staff indicated that there were discussions with Finance staff about eliminating the practice of Planning staff reviewing business licenses for Tenant Improvement (TI) projects, since planning is already conducting a conformance review for the TI as part of the building permit review and felt that a business license is redundant.

In addition, Planning and Finance discussed Planning's request to delegate Planning review authority on certain types of business licenses (e.g., home based business and certain commercial/industrial sites) to reduce Planning's volume of reviews, however, the parties were not able to agree on these proposed review changes.

We asked Finance staff why they felt the proposed changes could not be implemented. With regard to assuming some review responsibility for planning, Finance indicated that the City's Municipal Code (e.g., Section 5.04.020 C) requires Planning to review and approve business licenses prior to issuance. Additionally, Planning's rationale for delegating certain reviews to Finance was based on the notion that Finance staff held basic knowledge of what was an acceptable business to operate home based, and certain commercial and industrial locations and could seamlessly absorb Planning's review of these business licenses.

However, Finance staff do not have formal training on the City's Zoning Code and as such, assuming reviews would create an unacceptable risk. Further, Finance did not have adequate staffing resources (particularly with regard to back-up resources) and existing municipal code requirements required Planning Division review. Thus, Planning retained full review responsibility for reviews.

Finance staff explained that some of the confusion relating to duplicative TI reviews occurred because one Planning staff member was reviewing TI's, while another staff member was reviewing business licenses. To eliminate this confusion, Planning implemented review changes to ensure that TI and business license reviews were assigned to one Planning staff member. In addition, planning, building and finance staff also determined that more coordination was needed in the document submittal process because most TI's are submitted and reviewed before the submittal of the required business license application. To ensure business licenses are captured for TI's that may, by oversight, not submit their business application at a later date, the Building Division now requests all TI applicants to submit their business license application at the same time. Now, the planning staff assigned to review TI's, receives a review referral for the corresponding business license, during the TI review building permit review.

We agree with the changes that the Planning Division instituted to eliminate confusion and work effort duplication, as well as the Finance Department's rationale for not assuming Planning Division review responsibility.

Business Licensing activities are prime candidates for electronic permitting systems, since they are straightforward and typically generate significant activity volumes, which can usurp available staffing resources.

We understand that the business licensing process will be included in the TRAKiT initiative and if so, TRAKiT significantly streamline the business licensing review and approval process.

158. *Recommendation:* The TRAKiT module for Business Licensing process should include online electronic submittal, online payment and receipting, electronic review, electronic sign off and licensing issuance and provide auto populating templates and a reminder feature. It should also be programmed to measure processing timeframes and collect discrete activity data for each process so that reporting is accurate and streamlined.

Planner Certificate of Occupancy Inspections

Project Planners are tasked with completing an inspection of new and/expanded development projects and signing off on required landscaping and architecture before the Building Official will issue a certificate of occupancy (CO).

In some communities, the Building Inspection staff are trained to perform planner-related inspections and are delegated this responsibility, since they are already onsite conducting other building-related inspections. In addition, to being more efficient and

speeding up the CO inspection process, it frees up the planners' time so they can focus on development review and other tasks. We agree with this practice and frequently recommend it in our studies. However, given that the City has established architectural and landscaping criteria, it may not be practical for Inspectors to assume this responsibility.

159. Recommendation: The Community Development Director should explore whether Building Inspectors or Code Inspectors can perform required Planning inspections to streamline the inspection process and free up more project processing time for Planners.

Planning Application Processing Times

Table 22 shows sample data on six (6) recent Planning Applications that were processed by the Division.

Table 22
Six Recent PA Applications Processed

Application Type	Case #	Date Submitted	Date Staff Deemed complete	Total # of Calendar Days from Submittal to Complete	Date of PC or Director Decision	# of Calendar days from Deemed Complete to PC or Director Decision	Date of Council Decision (if applicable)	# of days from PC decision to Council Decision (if applicable)	# of Cal. days from Submittal to Final Decision
Administrative (Director approval) Case	CAUP-15-13 Approval Cert No. 15-031	10/8/15	10/8/15	0	10/27/15	19	n/a	n/a	19
Administrative (Director approval) Case	ASD-15-06 Approval Cert No. 15-029	7/31/15	9/14/15	44	10/9/15	25	n/a	n/a	69
Planning Commission Approval Case	UP-15-10 Resolution No. 15-58	7/15/15	8/24/15	39	9/8/15	15	n/a	n/a	54
Planning Commission Approval Case	USA-15-01 PC Reso. No. 15-56 CC Reso No. 15-218	7/31/15	7/31/15	0	8/11/15	11	9/2/15	22	32
City Council Approval Case	DA-15-12 CC Ord No. 2174	7/31/15	-	-	9/22/15	-	10/21/15	29	81
City Council Approval Case	DA-14-09 PC Reso 15-53 CC Ord No. 2170	8/29/14	Incomplete ltr on 4/9/15	-	8/11/15	-	10/7/15	56	404

As the above table shows, the completeness determination data was incomplete, however, timeframes ranged from immediate to 44 days for administrative projects

and took 39 days for a PC project. Unlike some other Cities we have studied, Morgan Hill does not consider a project technically complete until the CEQA determination is made, which results in varying determination timeframes.

Data on the number of review cycles was not presented, so it is unclear how many review cycles each project underwent.

The time frames from completeness to decision were quicker for the PC case shown than for two Director decision cases shown, which is curious, since Director cases are by nature more routine and should take less time.

The overall process completion timeframes for projects requiring Council action, varied significantly, from 32 to 404 days. It is not clear whether processing variations are attributable to expedited review, CEQA, multiple reviews, applicant delays or some combination of these. The varying completion timeframes is consistent with feedback we received in that applicants desire more predictability in the approval processes.

We understand that processing timeframes can vary by project due to CEQA and other complexities. Nonetheless, many of the California communities we've studied have successfully implemented review Performance Standards, which have helped to improve accountability, efficiency and predictability. We believe the City needs to establish and implement performance standards as well to increase accountability and predictability.

Performance Standards

The Division has not established formal Performance Standards to measure decision time frames for Director Administratively approved applications or Planning Commission and Council Approved Applications. However, a 14-day timeframe has been established for first cycle reviews for all planning application types.

Best practice communities establish performance standards for planning application processing so that they can more effectively gauge processing effectiveness and meet customer timeline expectations or needs. Performance Standards are typically established for application completeness (e.g., depending on how an agency interprets "completeness"), staff review time frames for up to three review cycles (e.g., each review following the initial review until the project is accepted for final decision-making) and overall processing time frames (e.g., from submittal to decision).

Table 23 below shows our Suggested Performance Standards.

Table 23
Suggested Performance Standards for Planning Applications (PA's)

Application Types	Existing Staff Review Timeframe Calendar/Business Days	Suggested Staff Review Performance Standard in Calendar/Business Days			Suggested Submittal to Feedback Processing	Suggested Deemed Complete to Decision in Calendar Days/Business Days	Suggested Goal for % Time Met
	Cycle One	Cycle One	Cycle Two	Cycle Three			
Conceptual Plan Review Applications	14 calendar/ 10 business	14 calendar/ 10 business	N/A	N/A	14 calendar/ 10 business	N/A	90%
Preliminary Plan Review (non-Measure C) Applications	14 calendar/ 10 business	14 calendar/ 10 business	N/A	N/A	PC - 21 calendar/ 15 business Council – 30 calendar/20 business	N/A	90%
Director Decision Planning Applications	14 calendar/ 10 business	7 calendar/ 5 business	3 Bus.	1 Bus.	N/A	N/A	90%
Planning Commission Decision Planning Applications	14 calendar/ 10 business	Same	5 Bus.	3 Bus.	N/A	CEQA Cat. Exempt. - 35 calendar/ 25 Bus. CEQA Neg. Declaration - 55 calendar/ 40 Bus.	90%
City Council Decision Planning Applications	14 calendar/ 10 business	Same	5 Bus.	3 Bus.	N/A	CEQA Cat. Exempt or Neg. Declaration – 80 calendar / 58 Bus.	90%

We have suggested a Performance Standard for the overall processing time (e.g., from submittal to feedback) for Conceptual Plan Review and Preliminary Plan Reviews (e.g., non-RDCS) which are likely shorter than typical processing timeframes. The suggested Performance Standards for these processes provides time for DRB review, followed by immediate PC and Council review, when requested.

Our suggested staff reviews standards are shorter for Director Decision applications because they are more routine and can typically be processed more quickly. After the first review cycle, subsequent review time frames are further shortened.

Staff review time frames for PC and Council Decision applications are 14 calendar days for the first review, which is the existing review time frame, so that the project can be considered by the DRB to help flush out major issues, which is an important

tool for staff. Subsequent cycle has been reduced by half, which streamlines the review process.

We have suggested processing time frames from the point of CEQA determination to PC Decision for Exempt and Negative Declaration projects, which are typical performance standards established in other California communities we have studied. The suggested standard provides staff with 35 calendar days to get a project scheduled and considered by the PC, from the date a project is deemed to be Exempt and 55 calendar days for projects where a Negative Declaration is proposed. We have not proposed standards for where a Mitigated Negative Declarations is proposed or Environmental Impact Report or Study is required.

We also suggest a Performance Standard of 80 calendar days from the point of CEQA completeness determination to Council decision for projects that are Exempt or where a Negative Declaration is proposed, which provides staff with 25 calendar days following PC to get the project scheduled and considered by Council.

All Performance Standards should be set up in the TRAKiT System and proactively tracked, monitored and reported on, as we have recommended throughout this report and met 90% of the time.

The suggested Performance Standards for staff reviews for up to three cycles, coupled with our suggestions to create more structured DRB meetings should help applicant's prepare requested revisions timely and help streamline the overall process.

By formally establishing the above suggested Performance Standards for Completeness Reviews, Three Cycles of Staff Review and overall processing timeframes for all planning applications the City will be better able to gauge the efficiency and effectiveness of planning application by tracking monitoring and evaluating the success of Performance Standards, and ensuring that they are met 90% of the time.

160. *Recommendation:* The review times for Planning applications should be set as shown in Table 23 and be met at least 90% of the time.

VIII. EMPLOYEE PERCEPTIONS

Short Employee Questionnaire

A confidential and anonymous short questionnaire was completed by 13 City employees, 7 in Planning, 2 in Building, 3 in Engineering, and 1 manager. The questionnaire is shown in Appendix C. The raw scores are only shown for the 7 planning employees and 3 engineers. Showing less than 3 tends to make them non-anonymous.

The short questionnaire also asked employees to list pet peeves and give suggestions for improvements. These comments were used as part of our analysis for this report and are shown in Appendix B.

The short, closed-ended questionnaire consisted of a series of statements to be rated by the respondents. Responses were tallied and averaged and the raw scores are displayed in Appendix B. The statements were designed to elicit the mood and feelings of each employee about overall division or department excellence. For each of the 3 statements, the employee was asked to respond as follows:

- | | |
|-----------------------|--------------------|
| 1 – Strongly Disagree | 4 – Somewhat Agree |
| 2 – Somewhat Disagree | 5 – Strongly Agree |
| 3 – Neutral | 6 – Not Applicable |

Generally, the higher the rating (i.e., 4's and 5's) the better the employee perceives the subject area and the more excellent the division or department.

We've conducted this survey in many planning and building departments and divisions. Generally, a score below 3.0 is an indication of issues that need to be addressed. We like to see average scores in the high 3's and 4's. We believe that the scores give a reasonably accurate assessment of the employee's view of their division or department.

The overall average score for the planning questionnaires was 3.72 and it was 3.4 for the engineers. These are overall positive scores indicating satisfied employees.

Questions with average scores below 3.0 are discussed below.

Planning

Only two planning questions had scores below 3.0.

- #14. *We have an efficient records management and documentation system in our Division.* (2.67)

Records management is discussed in other parts of this report.

- # 31. *The Zoning and Development Code is good. (1.50)*

The Zoning and Development Code is discussed in other parts of this report.

Building

Seven of the building staff questions were below 3.0 as follows:

- #6. *Managers in our Division encourage and advance new ideas from employees. (2.67)*
- #7. *We have a strong emphasis on training in our Division (2.33).*
- # 11. *Our Division encourages practical risk-taking and supports positive effort. (2.67)*
- #14. *We have an efficient records management and documentation system in our Division. (2.67)*
- #15. *I am satisfied with the type of leadership I have been receiving from my supervisor in our Division. (2.67)*
- #16. *I have enough time to do my work as it needs to be done. (2.33)*
- #20. *I am able to meet standard turnaround times for processing plans and permits in our Division as communicated by my supervisor. (2.33)*

Question 6, 11, 15, and 16 had low scores for only one of the three employees and are not an indicator of a broader issue. Question 7 addresses training and question 14 addresses records. Both are discussed in other parts of this report.

Question 20 is the more significant question with two employees scoring a negative 2 and a neutral 3. This question is reviewed as part of the engineering analysis.

Long Employee Questionnaire

A long employee 15-page questionnaire consisted of 42 questions. The questionnaire was confidential but not anonymous. Most employees completed the questionnaire using Survey Monkey with results going directly to Zucker Systems. The questionnaire is shown in Appendix B.

IX. CUSTOMER PERCEPTIONS

In today's environment, governmental performance is measured by customer satisfaction. In order to determine the City's performance, we used several techniques consisting of interviews with the Mayor and City Council members, City Manager, Chairperson of the Planning Commission, two customer focus group, and an email surveys to applicants.

This Chapter includes a summary of customer comments for improving the functions. The intent of this customer input was to elicit views and opinions on positive and negative aspects of activities and to seek ideas for change that will improve and enhance the functions. However, as would be expected, the focus was on perceived problems.

In considering the results, the reader must bear in mind that, unlike documents and statistics, the views expressed by individuals are subjective and may reflect personal biases. Nonetheless, these views are at least as important as objective material because it is these people, with their feelings and prejudices that work with or are often affected by City activities. A second important consideration is that in analyzing the material, it may not be as important to determine whether a particular response is "correct" as it is to simply accept a response or try to determine why customers feel the way they do. Tom Peters, the noted management consultant, has said that in relation to customer service, "Perception is everything." In other words, perception is reality to the person holding the perception.

These comments are not the conclusions of the consultants. Using our methodology as described in Figure 1 and Section B of Chapter II, the customer comments are taken as one form of input to be merged by input of others and our own judgment. Our specific response is in the form of the various recommendations included in this report.

A. MAYOR AND CITY COUNCIL PERSPECTIVE

We met the Mayor and four City Council members in individual confidential meetings/conference calls in order to gain their perspective on the Community Development Department.

Overview

Over the past few years the Council has had increasing concerns about issues arising from the Community Development Department. In response to these concerns the City Manager felt that a full independent outside audit should be conducted. This led to the issuance of a Request for Proposal and this current study or audit.

The following are important perspectives we received during our interviews with the Mayor and City Council members. There was not unanimous opinion on all topics.

Building Division

Some Members expressed concern that Building Inspection services are too slow (e.g., sometimes a week before a customer can receive an inspection). In addition, at least one case, occupancy of the first phase of one market rate development was allowed before the developer had completed improvement to provide for internet, telephone and mail service.

Customer Service

Customer service was generally reported as being good, however, some staff don't return phone calls or emails in a timely manner.

Development Review Process

A general concern about the development community's perception that the Development Review Process is too slow, inefficient and ineffective and the Community Development Department needs to take a more proactive oversight role in the Process. Some Members felt that it seemed as though some of the new staff did not fully understand the City's procedures and that the developers are being asked to produce too much detail in the early stages of project conception. Developer resources should be put into projects and facilities rather than in producing costly, detailed plans at the conceptual stage in the process.

General Plan

The City is concurrently updating its General Plan, RDCS and Zoning Code, Development and Infrastructure Master Plans for water, sewer, storm drain and telecommunications, which is collectively called the Morgan Hill 2035 Project. Council does not anticipate any major philosophical shifts in the General Plan and RDCS updates.

Planning Commission

Council members indicated that the City relies heavily on the Planning Commission (PC) as considerable responsibility has been delegated to the PC. Council members generally expressed that the PC is doing their job, however, some members believed that the Planning Commission should be strengthened to improve their effectiveness (e.g., agenda management, concise decision-making, professionalism.). In addition, some members had received occasional feedback that the PC has been confrontational with members of the development community and planning staff during public hearing proceedings, which was not acceptable. Although the PC sometimes has

different recommendations and decisions that the Council, it was felt that some disagreement is expected and that the PC was thought to be in alignment with the Council.

Residential Development Control System (RDCS)

RDCS was approved by voter initiative in 1977 and the city, in partnership with the community and other stakeholders, is actively working on amendments to the System, which will be voted on by the citizens in November of this year. Administration of the System is labor intensive for staff and difficult for developers, however it has produced quality development and generally paced growth as intended. Currently, the City is experiencing a lot of development activity as a result of the backlog of housing units not built during the great recession now under construction (e.g., allocations granted in previous years and during the recession are now being exercised), which is concerning for some citizens. RDCS revisions are anticipated to encourage a more consistent annual distribution of housing units, among other things.

Staffing

Some Council Members indicated that building and the engineering function in Public Works may be short staffed and expressed that staffing shortages need to be identified and corrected. Members indicated that the Community Development Department lost a lot of institutional knowledge over the last few years due to layoffs, retirements, etc. of tenured staff. Additional training may be needed for CDD staff to boost skills.

Zucker Systems Study – City Comparisons

The majority of Council expressed little desire to include a comparative analysis in this Study, which would compare Morgan Hill against similarly situated cities in the area would add little value, since Morgan Hill is so unique as compared to other cities. Two Council Members suggested that Morgan Hill be compared with Livermore, Danville and Vacaville, in the areas of application fees, staffing levels and processing time, if a comparative analysis was to be included.

B. FOCUS GROUP ONE

A group of three customers met on January 26 at the Community Center in a confidential meeting with a Zucker Systems staff to discuss their experience with the Morgan Hill development process. The group included two consultants specializing in development entitlements and one general contractor. Issues discussed are arranged alphabetically below.

Building Permit and Inspection Function

The Morgan Hill building permit function is seen as “great.” However, it takes over a week to get an inspection. Next day inspection is desired.

Communication

There is poor communication between Community Development and Public Works. Some communication issues also exist with Building and the others but less so.

Consultants

The use of consultants is fine. The use of third party plan checks is particularly good.

Development Review Committee

The DRC is not considered effective and developers are not allowed to attend, which is an issue.

Overview

Morgan Hill staff are very friendly.

Partnering

Developers like to see themselves as being in partnership with the city and this was the case in Morgan Hill. However, in recent years this approach in Morgan Hill seems to have deteriorated.

Problem Solving

Most Morgan Hill managers are seen as good problem solvers and willing to work with you, particularly the Assistant City Manager and the Building Manager.

Process

Morgan Hill’s development processes are not well defined. Once you get out of the processes that do exist it can be very difficult – “things are loose and goosy”.

Staff comments on reviews are not clear or concise. The same issues come up on repeat processes and it is hard to rely on prior processes. Issues tend to be revisited for each process.

There are no clear timelines for most of the processes and timelines are very slow.

Virtually everything in the city requires a development agreement.

The city lacks performance standards.

Issues often come up late in a process because one of the functions has not seen the plans. Plans should be distributed to all functions at the outset of a project.

Public Projects

Approvals often require the developer to pay for public projects that may even be across town from the proposed development.

Public Works

There is a disconnect between Public Works plan check and Public Works inspection. Staff wants to use the same standards that are used for public property for construction on private property.

Residential Allotment

Residential Allotment is the first step in the process and then everything starts at the same time creating logjams. If the project does not proceed on schedule the applicant can ask for an extension, which is generally granted. During the recession many projects were not built and the granting of extensions means that projects carried over resulting in today's high number of permits.

The RDO had many problems and there have been attempts to streamline it. There is a committee currently discussing possible changes. A major problem that a project may change after an allotment is given and there is not clear process for changes at that time.

Other Communities

Other cities considered good include Ventura. Fremont is tough but they do provide good timelines. Mountain View is tough but the process is well defined.

Cities considered bad include Gilroy, Oakland, Los Gatos, and San Jose.

Staffing

Engineering and Fire are particularly understaffed. Planning and Building are also likely understaffed.

C. FOCUS GROUP TWO

A group of six customers met on January 26 at the Community Center in a confidential meeting with a Zucker Systems staff to discuss their experience with the Morgan Hill development process. The group included a major business owner, real

estate, surveyor/planner, developer, engineer, and a homebuilder. Issues discussed are arranged alphabetically below.

City Council

The City Council normally sides with the neighborhoods.

Cooperation

There used to be more applicant – staff cooperation than there is today. Issues primarily relate to Planning.

Direction of the City

There is a shift in the direction of the city, partially caused by hiring of staff from San Jose. This shift may not reflect the desires of the citizens.

Engineering

Engineering is very slow.

Fees

Fees are very high and they escalate 5% each year. The voluntary (required) conditions also add to the cost of the project.

Measure C

Last year a committee was appointed to look at measure C and it is still meeting. Agreements can be re-negotiated during an extension. During the recession, many of the allotments were bought by larger out-of-town developers changing the nature of the city.

Other Communities

Good communities include Hollister, and San Juan Bautista. Building was once good in San Jose. Mountain View is tough but you know what you will get. Gilroy has pre-develop meeting which is good. Comparable communities include Gilroy and Pleasanton.

Performance Standards

Performance standards are needed, particularly related to timelines for reviews and approvals.

Planning Commission

The Planning Commission is not well respected. Staff and the Commission are often on the opposite side of issues.

The Commission gets the staff report on Thursday night but some members feel they need more time to review.

Planning/Public Works

There are many conflicts between planning and public works.

Problem Solving

Most Morgan Hill managers are seen as good problem solvers and willing to work with you, particularly the Assistant City Manager and the Building Manager. However, their agreements are not always followed through.

Staff Reports

The applicant gets the staff report on Friday before the Tuesday meeting, which is not enough time for review.

Staffing

Staff levels should be compared to five years ago. It seems like previously staff was more efficient.

Telephone Calls

Some communities require calls to be returned in 24 hours.

Traffic Issues

Traffic review often comes too late in the process.

D. CUSTOMER EMAIL SURVEY

A customer survey was sent to 138 customers with 9 returned or bounced for a total of 126. Only 18 surveys were returned for a return rate of 14%. This is near our normal return rate of 15 to 20%. Although we normally want at least 30 surveys for analysis, some useful data can be gleaned from the survey.

Many of the questions asked respondents to score Strongly Agree, Agree, No Opinion, Disagree, Strongly Disagree or Not Applicable. Many of the questions also asked for an answer related to Building, Engineering/Public Works, or Planning. Normally we like to see negative comments below 15% meaning 85% are positive. Negatives over 15% indicate areas of concern and negative over 25% more serious issues.

Specific results include:

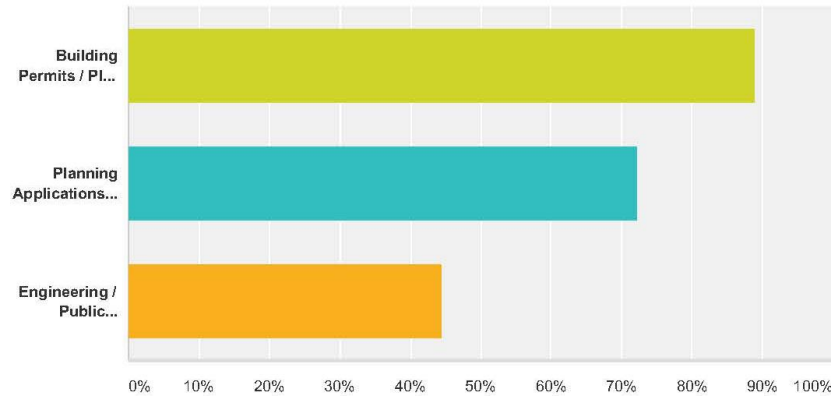
Types of Applications

Q1. The 18 survey cut across Building, Planning and Engineering as can be seen in Figure 13.

Figure 13
Types of Applications Covered in the Survey

Q1 Please check off the types of development actions you have applied for through the City during the past 12 months.

Answered: 18 Skipped: 0



Answer Choices		Responses	
Building Permits / Plan Review / Inspection for Private Property Construction		88.89%	16
Planning Applications / City Plan Commission / Board of Zoning Adjustment		72.22%	13
Engineering / Public Infrastructure / Platting		44.44%	8
Total Respondents: 18			

#	Other (please specify)	Date
1	Zoning change and General Plan Change of 5.75 acre parcel on Butterfield Blvd in 2014 & 2015, in conjunction with my client Community Development Partners.	1/6/2016 3:04 PM

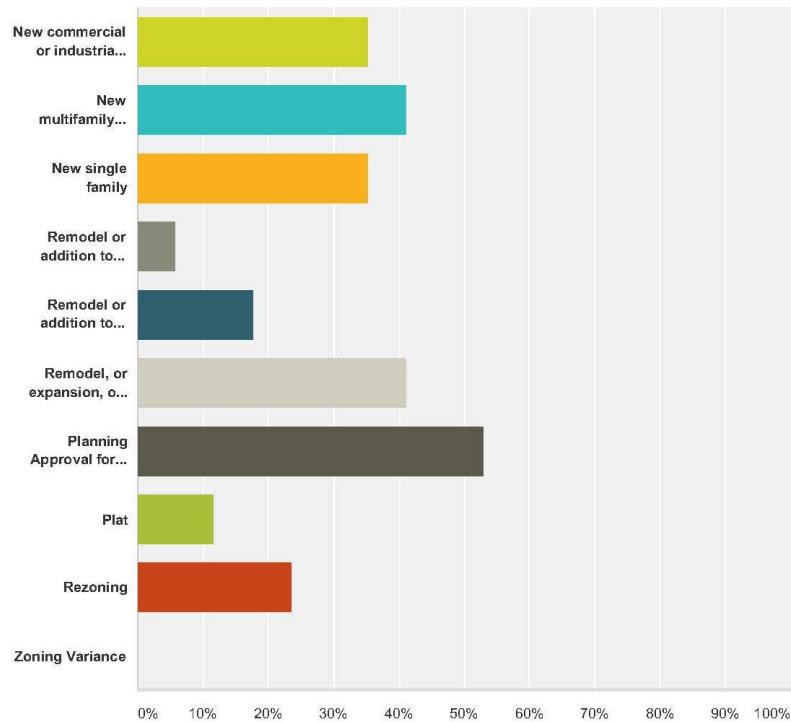
Types if Permits

Q2. Roughly half of the applications were for planning approval with others distributed across all categories. Figure 14.

Figure 14
Types of Permits

Q2 Please indicate what the permit or approval was for.

Answered: 17 Skipped: 1



Answer Choices		Responses	
New commercial or industrial building		35.29%	6
New multifamily dwelling/condo		41.18%	7
New single family		35.29%	6
Remodel or addition to multifamily dwelling/condo		5.88%	1
Remodel or addition to single family		17.65%	3
Remodel, or expansion, or tenant improvement to commercial or industrial building		41.18%	7
Planning Approval for Development Plan or Special Use Permit		52.94%	9
Plat		11.76%	2
Rezoning		23.53%	4
Zoning Variance		0.00%	0

#	Other (please specify)	Date
1	The first Phase of this project is 111 unit Senior Congregate Care Residential project.	1/6/2016 3:04 PM
2	solar permits for new subdivisions	12/16/2015 10:17 PM

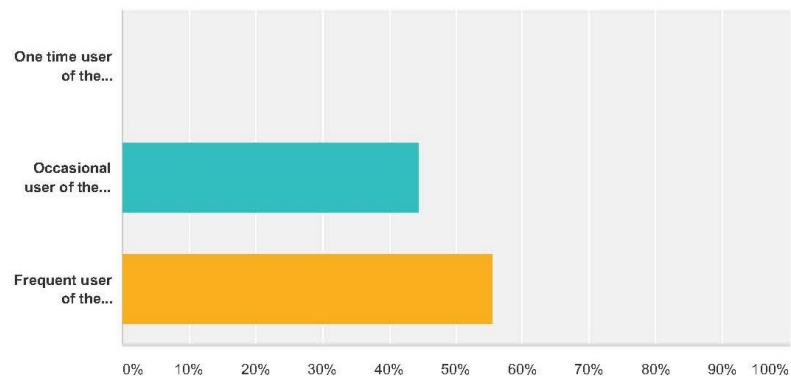
Frequency of Customers

Q3. None of the respondents were one time users of the process and 56% were frequent users as can be seen in Figure 15.

Figure 15
Frequency of Working With the Process

Q3 Please indicate how often you work with the City's development review and plan checking process.

Answered: 18 Skipped: 0



Answer Choices	Responses
One time user of the development review and plan checking process	0.00% 0
Occasional user of the development review and plan checking process	44.44% 8
Frequent user of the development review and plan checking process	55.56% 10
Total	18

#	Type any comments here	Date
1	NOT a solution oriented, can do, approach. Slow to respond, slow to assist in solving problems efficiently so development may move forward asap	1/6/2016 4:42 PM
2	City Planning and City Building Department is very responsive for questions, applications, and permit processing	1/6/2016 3:54 PM
3	I am a commercial RE Broker and developer. Over the years 1995-2004, my partner Mark Brannan and I have built 10 light industrial buildings for owner users, including the Morgan Hill Police Facility at 16200 Vineyard Boulevard.	1/6/2016 3:04 PM
4	The Building permit process is clear and Building staff are very easy to work with.	12/16/2015 10:17 PM

Approvals

94% of applicants had their projects approved.

Specific Positive Responses

Questions 16 and 22 had positive responses above 85% for all three functions finding that all staff was courteous (Q16) and aware of and utilize available City information that is online (Q22).

Building

Of the other 18 questions, building had positive responses above 85% for all but three questions, 4, 13, and 17.

Q4. I understand the City's Development Review and Plan Check processes. They are straightforward and not unnecessarily cumbersome or complex, 22% negative responses.

Q13. The turnaround time for review and approval or disapproval or my application was not any longer in Morgan Hill than other cities or counties where I have filed applications, 25% negative.

Q17. The conditions of approval or plan check corrections applied to my project were reasonable and justified, 19% negative.

Although these three question exceed our 15% negative threshold they are 25% or less. Overall the data would conclude that customer service by Building is quite good.

Engineering/Public Works

Engineering had many negative responses on 15 of 18 questions, 4 exceeding our 15% negative, 6 exceeding 25% and 5 exceeding 40%. These are some of the worst scores we have seen in our many studies.

Q4. I understand the City's Development Review and Plan Check processes. They are straightforward and not unnecessarily cumbersome or complex, 53% negative responses.

Q9. Plan checking is complete and accurate. Additional problems did not surface later that should have been caught in the initial review, 40% negative.

Q10. Services were completed by the date promised, 67 % negative.

Q11. The City's promised delivery dates are reasonable and acceptable, 44% negative.

Q13. The **turnaround time** for review and approval or disapproval of my application was not any longer in Morgan Hill than other cities or counties where I have filed applications, 53% negative.

Planning

Planning had many negative responses on 18 of 18 questions, 3 exceeding our 15% negative, 6 exceeding 25% and 9 exceeding 40%. These are some of the worst scores we have seen in our many studies.

Q4. I **understand** the City's Development Review and Plan Check processes. They are straightforward and not unnecessarily cumbersome or complex, 56% negative responses.

Q6. Staff provides **prompt feedback** on incomplete submittals, 56% negative.

Q8. In general, the City staff **anticipated obstacles** early on and provided options where they were available, 56% negative.

Q9. **Plan checking** is complete and accurate. Additional problems did not surface later that should have been caught in the initial review, 44% negative.

Q10. Services were completed by the **date promised**, 63 % negative.

Q11. The City's promised **delivery dates** are reasonable and acceptable, 53% negative.

Q13. The **turnaround time** for review and approval or disapproval of my application was not any longer in Morgan Hill than other cities or counties where I have filed applications, 53% negative.

Development Review Committee

The Development Review Committee was considered useful by Building and Engineering/Public Works but Planning was 33% negative.

Planning Commission and City Council

All respondents found that the Planning Commission and City Council treated them fairly and were courteous.

Appendix A

Persons Interviewed

Administration

Steve Rymer, City Manager

Leslie Little, Assistant City Manager – Community Development

Hilary Holeman, Administrative Analyst

Cindy Murphy, CPA, Assistant City Manager - Administrative Services

Community Development

Andrew Crabtree, Community Development Director

John Baty, Senior Planner

Gina Paolini, Senior Planner

Terry Linder, Senior Planner

Steve Golden, Associate Planner

Elaine Collins, Development Services Technician

Jim Rowe, Contract Planner

Building Division

Ken DeLuna, Building Manager/Building Official

Eric Bloomquist, Supervising Building Inspector

John Amos, Code Enforcement Officer

Wayne Hokanson, Fire Plan Review/Inspection – Contract

Ron Wake, Building Inspector

Daniel Cardwell, Building Inspector

Anna Saenz, Development Services Technician

Elizabeth Bassett, Development Services Technician

Community Services Department

Chris Ghione, Director of Community Services

Economic Development

Edith Ramirez, Economic Development Manager

John Lang, Econ. Dev. Coordinator

Finance Department

Dat Nguyen, Assistant Finance Director

Harjot Sangha, Accountant

Information Systems

Jeff Rosenberger, Information Systems Manager

Mayor and City Council

Steve Tate, Mayor

Larry Carr, City Council member

Rich Constantine, City Council member

Marilyn Librers, City Council member

Gordon Siebert, City Council member

Planning Commission

Joe Mueller, Planning Comm. Chair

Public Works/Engineering

Karl Bjarke, Public Works Director/City Engineer

Scott Creer, Senior Civil Engineer

Charlie Ha, Associate Engineer

Mario Jimenez, Junior Engineer

Appendix B

Employee Long Questionnaire

**Morgan Hill, California
Development Services Department**

EMPLOYEE QUESTIONNAIRE

Employee Name _____ **Job Title** _____

Division _____

The following questionnaire is an important and essential part of the City's Analysis of the Development Services Department being conducted by Zucker Systems. The study is aimed at improving effectiveness and efficiency. Your ideas and thoughts are essential to the study. This questionnaire will supplement other work being undertaken by the consultants.

Please complete this questionnaire and return it to us **within one week**. You can do this in one of the following ways:

1. The best way to complete the questionnaire is on line at www.zuckersystems.com. You will find the Morgan Hill Questionnaire under the links tab. If you have any problems call us at 619-260-2680. Note: For confidentiality the program will **not** save your answers to be completed at separate times. If you cannot complete the survey in one sitting, please submit the answers you have completed. Then, you can just access the survey again and answer the questions unanswered the first time and submit that portion of the survey. We will merge your surveys together for a complete survey. Just be sure to put your name on all submittals so we can paste the parts together.
2. You can also access the questionnaire directly online at the following link: <https://www.surveymonkey.com/s/MorganHillQ>
3. You can also mail the questionnaire in a sealed envelope to Zucker Systems, 3038 Udall St. San Diego, CA 92106.

Take your time in answering the questions and be as thorough as possible. You are encouraged to email (paul@zuckersystems.com) or mail attachments or examples. Note that all questions may not apply to you. In that case, simply skip that question.

Your comments may be merged with others and included in our report; however, the consultants will not identify individuals in relation to specific comments. Your responses and comments will be held in confidence.

Thank you for your help.

Paul C. Zucker, President, Zucker Systems

-
1. What do you see as the major **strengths** of the Development Services Department or your Division, the things you do well?
 2. What do you see as the major **weaknesses** of the Development Services Department or your Division, and what can be done to eliminate these weaknesses?
 3. What important policies, services or programs are no longer pursued or have never been pursued in relation to the Development Services Department or your Division that you feel should be added?
 4. Do you feel any of the City's ordinances, policies, plans, or procedures related to the Development Services Department or your Division should be changed? If so, list them and explain why.
 5. Are there any programs, activities or jobs related to the Development Services Department or your Division that you would eliminate or reduce and why?
 6. How would you describe the goals or mission of your function, the Development Services Department, or your Division?
 7. What would help you perform your specific duties more effectively and efficiently?
 8. What problems, if any, do you experience with your records or files and what should be done to eliminate these problems? (Please be specific.)

9. What problems, if any, do you experience with the current office layout, work spaces and public counters and what should be done to eliminate these problems? (Please be specific.)
10. Are there any problems in providing good service to your customers? If so, please list them and give recommendations to solve these problems.
11. Do you feel that the processing of development applications and permits should be shortened, sped up or simplified? If so, what do you suggest? Or conversely, do you feel that you try to move development applications through the permit process too quickly? In either case, how would you suggest it be improved?
12. What suggestions do you have for improving internal communication in your function, the Development Services Department, your Division or the City?
13. What suggestions do you have for improving external communication from your function to customers or Stakeholders related to the Development Services Department.
14. Do you have any difficulty in carrying out your function due to problems with other departments or divisions? If so, please explain and provide suggestions on how to correct these problems.
15. Have you received sufficient training for your responsibilities? If not, please comment and indicate areas you would like more training.
16. What functions are you currently handling manually that you believe could or should be automated? (Please be specific.)

17. What functions that are currently computer-automated need improvement? List your suggested improvements.
18. What problems, if any, do you have with the telephone system and what would you suggest to correct the problems?
19. What problems, if any, do you have with the email system and what do you suggest to correct these problems?
20. Do you have all the equipment you need to properly do your job? If not, please list what you need.
21. Please provide comments concerning good or bad aspects of the City's organizational structure for the Development Services Department or your Division. Provide any suggestions for improvement or changes.
22. Do you use consultants or should consultants be used for any of the functions in the Development Services Department or your Division?

23. If you use consultants for any of the functions in the Development Services Department or your Division what problems, if any, do you experience with these consultants and what would you recommend to correct this problem?
24. What changes, if any, would you recommend in relation to the City Council processes in relation to the Development Services Department or your Division functions?
25. What changes, if any, would you recommend in relation to the City Planning Commission processes in relation to your department or division functions?
26. What changes, if any, would you recommend in relation to the General Plan?
27. What changes, if any, would you recommend in relation to the City's Codes and Ordinances?
28. What changes, if any, would you recommend in relation to the City's engineering construction standards?
29. If you are short of time to do your work, what changes would you recommend to correct this problem?

30. Please list the major tasks or work activity you undertake and provide a rough estimated percentage of your time for each task. The percentages should total 100%.

[illegible]

31. What additional handouts to the public or changes to existing handouts to the public would be helpful?

32. How well do the Departments current Public outreach methods and social media efforts work and what suggestions do you have to improve them?

33. What additional educational materials would help you do your job?

34. What changes if any would you recommend for the City's web page or e-government applications?

35. What changes, if any, would you recommend in relation to the City's GIS system?
36. What changes, if any, would you recommend in relation to the City's computer permitting system?
37. Do relations between the office staff and inspectors work well? If not, what do you recommend to improve the relations?
38. Who is your direct supervisor, list name and position?
39. List the names and positions of the staff that you supervise.
40. What changes, if any, would you recommend in relation to the Code Enforcement and Housing Appeals Board processes in relation to your department or division functions?
41. What changes, if any, would you recommend in relation to the Design Review Committee processes in relation to your department or division functions?
42. What changes, if any, would you recommend in relation to the Historic Preservation Board processes in relation to your department or division functions?

43. Do you have any concerns about the way human resource issues are handled in the Department? If so, please describe and what would you suggest to resolve your concerns.
44. List any other topics you would like the consultants to consider, or other suggestions you have for your function, the Development Services Department, your Division, or the City. Take your time and be as expansive as possible.

Note: Feel free to call us at 1.619.804.1769 or email to paul@zuckersystems.com to discuss any concerns or provide recommendations. When calling, ask for Paul.

Appendix C

Employee Short Questionnaire

**Development Services Review
Morgan Hill, CA**

Please check your Division or function:

- ☐ Building Division
☐ Planning Division
☐ Engineering Division
☐ Other (list) _____

-
- | | |
|---------------------|------------------|
| 1 Strongly Disagree | 4 Somewhat Agree |
| 2 Somewhat Disagree | 5 Strongly Agree |
| 3 Neutral | 6 Not Applicable |
| | 7 Don't Know |
-

- | | |
|---|--------|
| 1. Our Division seeks to identify problems quickly. | [] |
| 2. When problems are identified, our Division moves quickly to solve them. | [] |
| 3. Our Division has an effective process for listening to citizen or client concerns. | [] |
| 4. The concern for employees in our Division is sincere. | [] |
| 5. Good service is the rule rather than the exception in our Division. | [] |
| 6. Managers in our Division encourage and advance new ideas from employees. | [] |
| 7. We have a strong emphasis on training in our Division. | [] |
| 8. Management in our Division discusses objectives, programs and results with employees regularly. | [] |
| 9. There is free and open communication in our Division between all levels of employees about the work they are performing. | [] |
| 10. Employees in our Division treat citizens with respect. | [] |
| 11. Our Division encourages practical risk-taking and supports positive effort. | [] |
| 12. Our Division has a clear sense of what its programs are trying to accomplish. | [] |

**Development Services Review
Morgan Hill, CA**

1 Strongly Disagree
2 Somewhat Disagree
3 Neutral

4 Somewhat Agree
5 Strongly Agree
6 Not Applicable
7 Don't Know

-
- | | | |
|-----|---|--------|
| 13. | We do our jobs very well in our Division. | [] |
| 14. | We have an efficient records management and documentation system in our Division. | [] |
| 15. | I am satisfied with the type of leadership I have been receiving from my supervisor in our Division. | [] |
| 16. | I have enough time to do my work as it needs to be done. | [] |
| 17. | I am kept abreast of changes that affect me. | [] |
| 18. | There is good teamwork and communication between the different departments, divisions or organizations conducting development review, plan checking and inspection in the City. | [] |
| 19. | I am aware of standard turnaround times in our Division for processing plans and permits as communicated by my supervisor. | [] |
| 20. | I am able to meet standard turnaround times for processing plans and permits in our Division as communicated by my supervisor. | [] |
| 21. | The City has a clear and coordinated development review and plan checking process. | [] |
| 22. | Permit and development processes in the City are not unnecessarily complex nor burdensome on the applicant. | [] |
| 23. | Applications are reviewed in the City in a timely manner. | [] |
| 24. | Application review in the City is undertaken in a consistent manner. | [] |
| 25. | It should be the policy of the City and its employees to assist any applicant in completing his/her application, see that it is complete as soon as possible, and process it without undue delay. | [] |

**Development Services Review
Morgan Hill, CA**

1 Strongly Disagree
2 Somewhat Disagree
3 Neutral

4 Somewhat Agree
5 Strongly Agree
6 Not Applicable
7 Don't Know

- | | | |
|-----|---|--------|
| 26. | It should be the policy of the City to make the development and permit process as pleasant and expeditious as possible. | [] |
| 27. | We are doing the right amount of long range planning for the City. | [] |
| 28. | The Planning Commission works well and is effective. | [] |
| 29. | The Development Review Committee works well and is effective. | [] |
| 30. | The Plans we prepare for the City are good. | [] |
| 31. | The Zoning and Development Code is good. | [] |
| 32. | Building permits are reviewed in a short and timely way. | [] |
| 33. | Planning applications are reviewed in a short and timely way. | [] |
| 34. | Engineering reviews are reviewed in a short and timely way. | [] |

Please briefly answer the following:

35. Please list any “pet peeves” or concerns about your Department, Division, or the City as related to the City's development services.

**Development Services Review
Morgan Hill, CA**

36. Please provide at least one suggestion or recommendation for improvement related to your Department, Division, or the City as related to the City's development Services.

37. What are you most proud of in relation to your Department or Division?