# STOCKTON STAT

Meeting Summary

The following is a summary of the topics discussed in the DevSTAT meeting on 11/18/2020. Analysis is provided by the Office of Performance and Data Analytics. Information in the memo has been edited to protect Personal Identifiable Information (PII) and ensure accuracy. Note that the data and visuals included in this memo reflect a specific period in time, and as a result, information below can be subject to change.

This meeting will cover the following subjects in further detail:

Development Process iLab

The City's development process was the first to go through Innovation Lab (iLab) for review. The iLab employs LEAN principles to improve processes for efficiency and effectiveness. The Office of Performance and Data Analytics (OPDA) contracted services with the Realignment Group of California to facilitate the development process sessions for value stream and process mapping.

Work: Degrees of Granularity
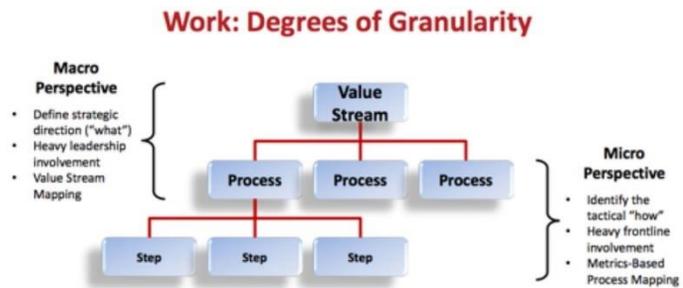
The intent of the development process iLab was to bring together strategic personnel to deconstruct the process, challenge organizational norms, eliminate waste, and ultimately streamline operations. The intent is to also increase productivity, competitiveness and quality of the City's services and improve its relationships with its stakeholders, the residents.

Value Stream Mapping (VSM) is a classic lean methodology for analyzing the Current State and designing a Future State for the series of steps (the "stream") that take a product or service from its beginning (typically at the "first touch" of the customer's request) through to customer fulfillment (the "value").

As the graphic at right shows, Value Stream Mapping is a Macro process, a global overview of a single stream of work. The bridges between individual steps and the Value Stream are the Processes (discrete chunks of steps that perhaps only involve one or two departments or silos of work). Process Mapping is a similar, shorter process that looks at these smaller chunks.

iLab Charter
A small group of leadership developed the Development Process Charter with the support of the facilitators on September 18, 2020.

Key components of the charter include:
- Scope

Scope	
Value Stream	Permitting process for a Medici-like project.
Specific Conditions	Previous example or a highly visable project.
Demand Rate	TBD - let's find out. Many in the downtown area this year.
Trigger	Final ERC pre-development meeting held (land zoned properly).
First Step	All entitlement is done and the permit application is received.
Last Step	Certificate of Occupancy issued.
Boundaries & Limitations	No issues related to zoning and entitlement. Include other permits/approvals for permit (e.g. Health, Air Quality, PG&E).

- Targets

Measurable Target Conditions	
1	How many ERCs turn into permits
2	Our average as-is processing time is "A", and we got it down to "B"
3	Create KPIs – for each group
4	Community Development is empowered to be in a position to be accountable
5	We have benchmarks between Commercial and Residential Developers

- Expected Benefits

Benefits to Customers & Business	
1	The ability to attract seasoned developers.
2	Consistent quality customer service.
3	The ability to train staff on the "new way".
4	The implementation of existing tools and an assesement as to how they have been utilized.

It was noted that during the iLab current state process review and future state process definition, the current process is mainly built of regulations, rules, and laws.

iLab Participants
- 3 facilitators from the Realignment Group of California hosted the iLab via online forums of Zoom and Mural (for collaborative mapping)
- 3 developers ranging from small to large sized
- 24 staff from 9 departments including Community Development, Municipal Utilities, Public Works, Admin Services, Legal, IT, Economic Development, Fire, and OPDA.
    - **CDD**
      CDD's role in the development process is covered in the CDD Overview section of this memo.
    - **MUD**
      Building Permit Process (Private / On-Site Improvements)
      The MUD reviews application referrals for potential impacts to the City's utility systems (water, wastewater, and stormwater). Building permit applications involve on-site private improvements, therefore the MUD reviews utility demands, available capacity, and any improvements required to provide utility services. These reviews typically involve on-site plan check to verify compliance with City Standards, Codes, and regulations. Examples of improvements or other requirements administered by the MUD include grease interceptors, oil separators, stormwater pollution prevention plans (SWPPPs), stormwater quality control plans (SWQCP), and assessment of MUD fees such as utility connection fees. During construction, the MUD conducts site inspections to verify compliance with the project SWPPP. If a conditional approval was granted prior to issuance of a building permit, then the MUD processes final approval of the SWQCP prior to issuance of the certificate of occupancy. The on-site plan review is typically not approved until after any associated off-site (public)

improvements have been approved (if off-site improvements are not already available), as the off-site improvements are required to provide service and proper utility connections to the site.

Improvement Plan Process (Public / Off-site Improvements)
The MUD reviews improvement plan submittals referred by the Community Development Department's Engineering Division. The utility improvements resulting from these reviews are dedicated to and accepted by the MUD for operation and maintenance once completed. The MUD reviews improvement plans to verify compliance with City Standards, Codes, Master Plans, and applicable regulations. This process may include the review of project-specific utility master plans with design calculations for sizing proposed infrastructure. The MUD reviews proposed easements and dedications specific to utility improvements (e.g. water line easement) and identifies if a SWPPP is required for the off-site work. If a SWPPP is required, the MUD also performs site inspections during construction to verify compliance with the approved SWPPP. If the improvements involve a new facility such as a pump station, the MUD coordinates with the Developer's contractor for start-up and commissioning of the new facility, which typically occurs prior to acceptance of the public improvements.

- **PW**
Public Works is integrated into the general development process as both a reviewer and approver of various development applications for open space development and infill development. Public Works together with other department stakeholders helps guide the applicant through the process during Development Review, Economic Review, and Site Plan Review meetings. Public Works subsequently reviews and/or approves all mapping, traffic studies, environmental documentation, improvement plans and agreements prior to construction of the applicants' project. Lastly, Public Works provides all inspections and final approval of construction work within the City Right of Way which is coordinated with the Building Division of community Development.

- **Fire**
The Fire Prevention Division receives new construction plans from the Building Department after completing their initial review. Fire Prevention reviews the plans looking for specific Fire Department related issues like access to the building, location of water supplies, building type, and occupancy. After Fire Prevention approval, the plans are then returned to the building department to the assigned job captain. The Building Department completes the remainder of the plan check and then provides the approved plans back to the contractor. At this point, construction can commence. In the interim time, the Fire Prevention Division may receive deferred submittals for approval. Deferred submittals are additional components required for the building but are not listed on the original construction plans and may include plans such as fire sprinklers, underground approval, and fire alarm systems. The deferred submittals do not delay the construction process. Fire Prevention also has an express service for smaller fire sprinkler systems and alarm systems. As the various construction stages are completed, a fire inspector will inspect the completed work, signing off on the building progress. When the construction is completed, a fire inspector will do a final inspection. If there are no violations, Fire Prevention will sign

off on the building permit card, and the Building Department will issue the certificate of occupancy.

- **EDD**
The Economic Development Department facilitates the recruitment of investors, fosters existing relationships with developers and manages the distribution of funds allocated for affordable housing development. During the I-Lab process EDD was able to provide context for end-user feedback as well as gain further insight of the permitting process. EDD has a very minor role in CDDs actual permitting process, it is limited to processing and presenting to Council real property transactions such as dedications and abandonments. However, continued strong working relationships between EDD and CDD, especially in regard to collaboration and communication, are an important component of the City's overall success.

iLab Sessions

- The Development Process iLab consisted of:
  - Current State: two 8-hour sessions held virtually on Oct 6th & 7th
 - Future State: two 8-hour sessions held virtually on Oct 14th & 15th

iLab Outcomes

The key deliverable from the iLab is the Transformation Plan that consists of 84 Action Items. These actions were scored by the mapping team, assigned owners and due dates, and plotted on a PACE chart to help the team prioritize activities. PACE stands for Priority, Action, Consider, and Eliminate. Each action fell into one of these four quadrants as shown in the figure. See Appendix for top ten action items.

PACE Chart
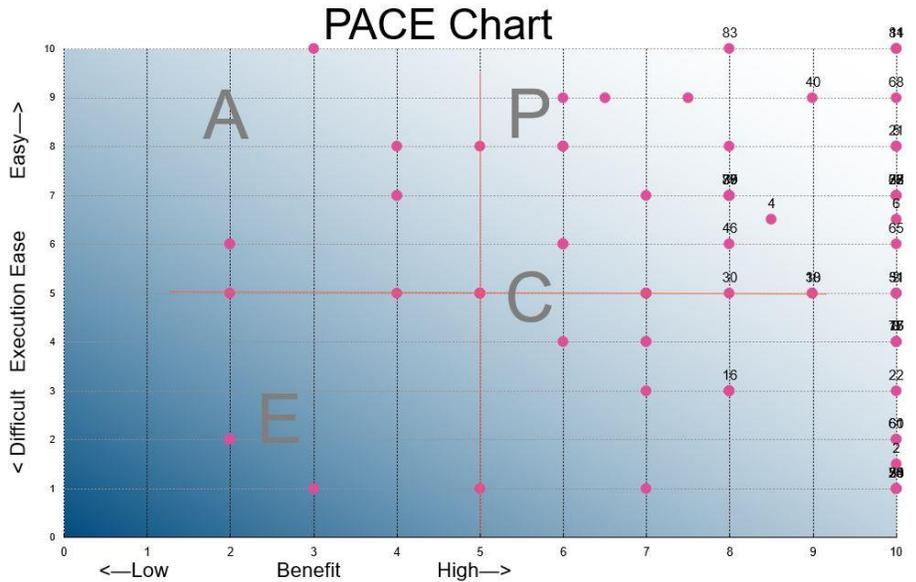
- The list of 84 actions fall into the following quadrants:
  - Priority: 31
  - Action: 8
  - Consider: 36
  - Eliminate: 9
- The list of 84 actions has also been assigned an execution method from the following categories:
  - Just Do It (JDI)
  - Kaizen
  - Project

81% of transformation actions have a benefit of greater than or equal to 5.

Pie chart legend: Consider, Priority, Eliminate, Action. Values shown: 43%, 38%, 11%, 10%.
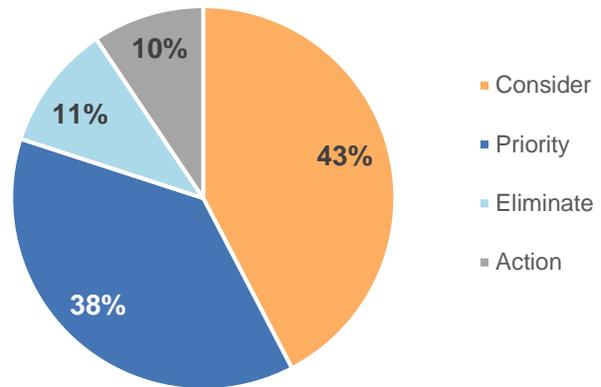
- The list of 84 actions has been further categorized into the following key areas for change:
  - **Automation** – Permit database system improvements, updates to process and workflow, file system / document management improvements, communications tools, etc.
  - **Culture Shift** – Ensuring a customer-first approach, increasing communication and collaboration between departments, agencies, and customers
  - **External Engagement** – Proactively engaging with developers, designers, contractors, and customers through workshops and industry meetings to help improve overall knowledge of processes, codes, ordinances, etc. with the goal of improving the quality of initial submittals
  - **Training** – Updating training programs to ensure staff has the appropriate knowledge base to limit the number of "hand-offs" a customer experiences and ensure information provided is consistent across team members

iLab Current State Example: MEDICI

The Medici Artists' Lofts project was selected as a case study for the iLab because it has been a complex project that touched various aspects of development.

The Medici Artists' Lofts is a 34-unit affordable housing and market rate project located at the intersection of North Sutter Street and East Miner Avenue. The project is an adaptive re-use of the historic MEDICO building converting the vacant office spaces on floors 2 through 9 to residential units with a ground floor art gallery space.

Medici Plan Review

The following table shows the actual time spent on the various submissions of the Medici plan review.

Cycle 1: **21 Working Days** **(30 calendar days)**	**112 calendar days from application to issuance**
Out w/ Applicant 12 calendar days	
Cycle 2: **15 Working Days** **(22 calendar days)**	
Out w/ Applicant 16 calendar days	
Cycle 3: **12 Working Days** **(19 calendar days)**	
7 Days for ready to issuance	
Revision 1: **17 Working Days** **(29 calendar days)**	
Revision 2 (cycle 1): **10 Working Days** **(14 calendar days)**	
Out w/ Applicant 43 calendar days	
Revision 2 (cycle 2): **5 Working Days** **(6 calendar days)**	

Note: Offsite improvement plans were submitted 883 days after building permit issuance.

Medici Inspection Summary

Looking through the data within the inspection history, there were very few failed building inspections to the point that failed inspections did not delay the project. Instead the building inspection history highlights that many partial approvals were noted. The system currently captures partial approvals as "disapprove."

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524 days from start of construction to Phase 1 Temporary Certification of Occupancy	**841 days of construction and counting (project has not received final approval)**
Additional 240 days from Phase 1 Temporary Certificate of Occupancy to Tenant move-in	

CDD Overview

The Community Development Department is comprised of 3 workgroups: Building Safety, Engineering, and Planning. Each of these workgroups have varying responsibilities related to permitting and plan review. However, each workgroup is interrelated and has a common interest ensuring the built environment is constructed in accordance with state law, local ordinances, and city standards. Although CDD is not the only city department or agency that is involved in development review it is the hub of all permitting activity for development with the City of Stockton and is the controlling agency for the issuance of building permits.

CDD Organizational Chart
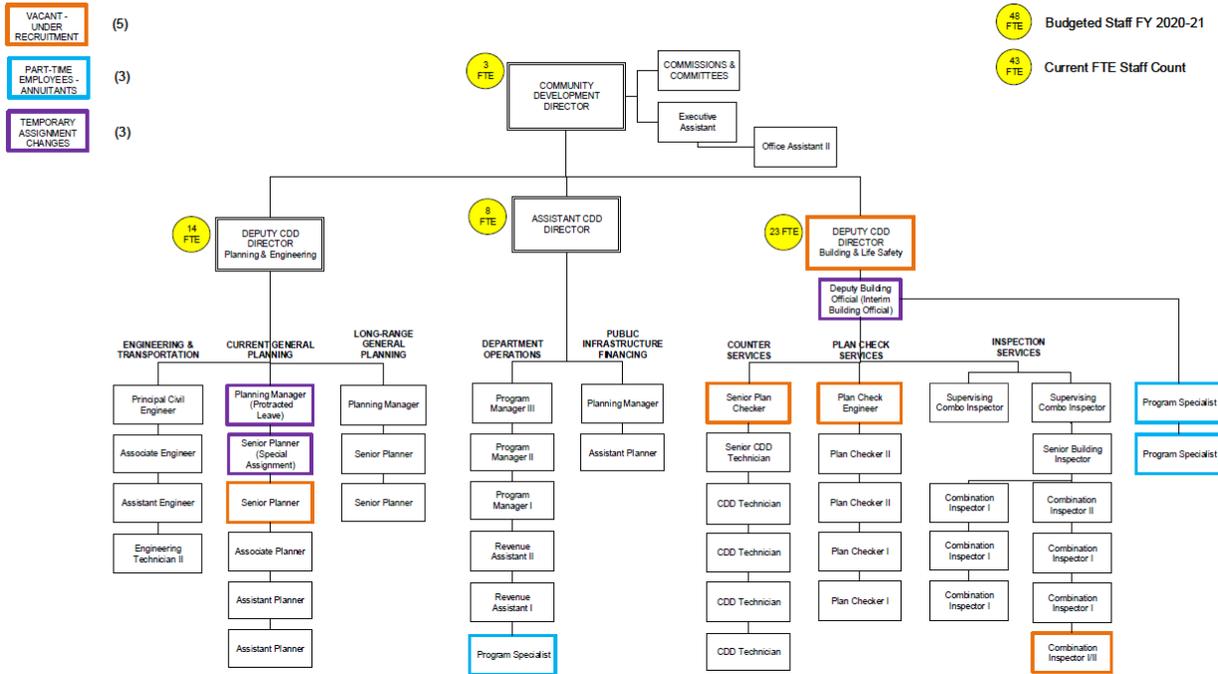
- As of October 31, 2020, the department processed 4,766 permits with a valuation of approximately $198 million thus far in FY 2020-21, compared to FY 2019-20 where there were 4,185 permits processed with a valuation of $185 million within the same period
- Over the last 12-month period (November 2019-October 2020) CDD has processed 10,399 permits with a valuation of $463 million. The department also conducted 22,015 building inspections within the same timeframe.

Total Permits Issued with Project Valuation
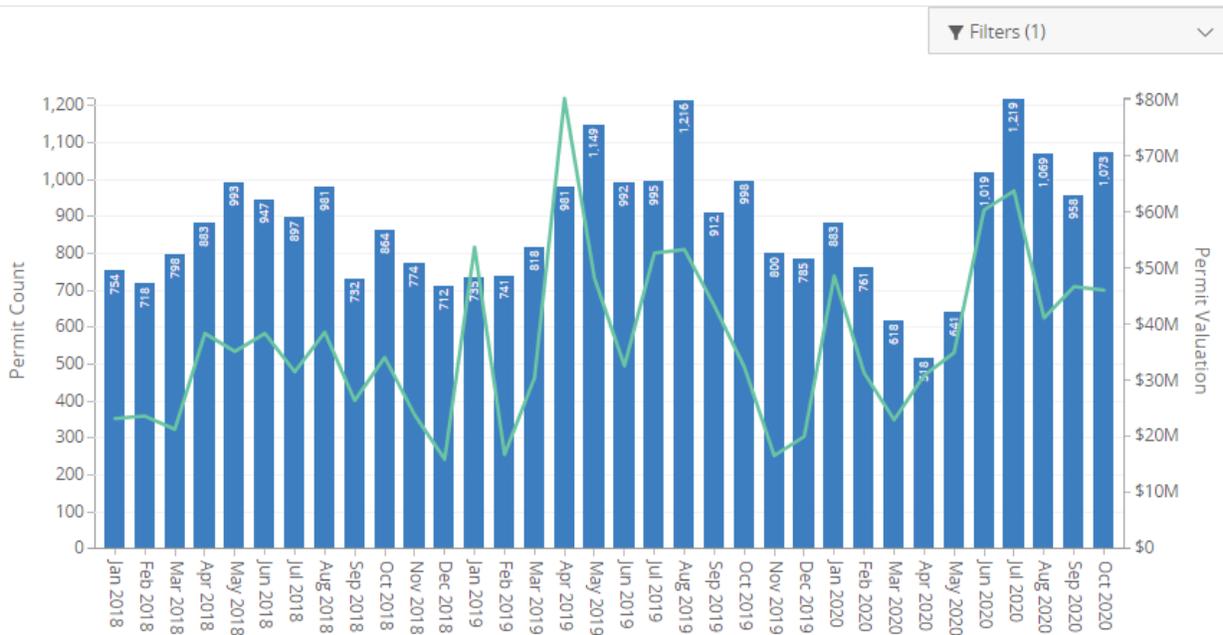
- Category/Types of Permits
  - Building Permits (72% of all CDD permit volume) – New construction, alterations, solar, signs, "over-the-counter" permits such as reroofs and water heaters, etc.
  - Engineering Permits (19% of all CDD permit volume) – Transportation ("wide-load"), encroachments, lot line adjustments, final maps, etc.
    - ENGINEERING DIVISION WORKLOAD: Average Monthly Engineering Division Workload (3 Engineers + 1 Supervisor)
      - 167 permits issued per month
      - 9 Building and Planning permit reviews per month
      - 88 walk-in customers per month (accounting for the 2.5-month Permit Center closure due to COVID)
      - Phone calls are not tracked for the Engineering team
  - Planning Permits (9% of all CDD permit volume) – Home Occupation, annexations, site plan reviews, etc.
    - PLANNING DIVISION WORKLOAD: Average Monthly Current Planning Division Workload (2 Assistant Planners, 1 Associate Planner + 1 Supervisor)
      - 73 permits issued per month
      - 110 Building and Engineering permit reviews per month
      - 494 walk-in customers per month (accounting for the 2.5-month Permit Center closure due to COVID)
      - 325 phone calls per month

Appendix – Transformation Plan Top Ten Action Items by Score

Category	Department Owner	Action Item	Benefit (1-10) Low to High	Exec. Ease (1-10) Difficult to Easy	Exec Method
Automation	CDD	Update safe sender list in outlook to accept Bluebeam emails.	10	10	JDI
Automation	CDD	Automatically route plan review of building permit in Blue Beam to appropriate Senior Planner (used to all be done by the planning manager) for plan review	10	9	JDI
Training	CDD	Develop a Plan check SOP for Bluebeam to make sure engineers use and show that they respond to all comments.	9	9	Kaizen
Automation	CDD	Reprogram Accela to show the Comment box and make it required. "Leave a msg for our inspector".	10	8	JDI
External Engagement	CDD	Set standards (and checklists) of Plan **Submittals** and hold Quarterly workshops to address questions like "What is Good Submittal?" and "What is unacceptable submittal?" including SWPPP and SWQCP.	10	8	Project
Culture Shift	CDD	Develop and implement a project liaison system that shepherds projects through the City process, rather than handing you off from dept. to dept. Might be, for example, over $1M or $5M value.	10	7	Kaizen
Culture Shift	OPDA	Define KPIs for each part of the process, rough picture.	10	7	Kaizen
Training	CDD	Enhance staff training. Create customized training plans for each workgroup. Ensure customer service is emphasized throughout.	10	7	Project
Training	CDD	Develop standard Agenda/Checklist for Pre-Con meeting of all departments.	7.5	9	JDI
External Engagement	MUD	Compare City processes with other jurisdictions (County and other cities) to benchmark as applicable and align to any identified best practices.	10	6.5	JDI