



DATE: April 7, 2025

TO: Jovan Grogan, City Manager
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FROM: Afshan Hamid, Community Development Director

SUBJECT: Executive Memo on Baker Tilly Audit

Background

In early 2023, the City of Santa Clara initiated an audit to evaluate the Building Permit (“permit”) process. Annually a risk assessment is conducted by the City to identify concerns that may be in order to assist the City accomplish its goals and objectives. This involves a number of processes but central to the assessment is interviews with Council Members and department heads, along with other staff as needed. Once areas of concern are identified, the City then prioritizes Departments to conduct audits for opportunities to enhance our internal processes and services provided to the residents. The building permit audit was identified during this process as the City heard from a number of council and staff that there were questions about the efficiency of the process. The Audit Committee agreed with the assessment and approved the initiation of the audit.

The audit to primary objectives were to:

1. Assess whether internal controls in the permitting process are effectively designed and implemented to ensure compliance with City Code and relevant regulations.
2. Evaluate whether the permit process is efficient and responsive, with mechanisms in place to ensure timely customer service.
3. Determine if billing and collections of permit fees and fines are properly managed to uphold financial accountability.

The Building Division acknowledged existing gaps in the process and has been actively implementing improvements. Since the audit began, the department has undergone significant transitions, including recovery from the COVID-19 pandemic, retirements, staff turnover, and leadership changes. A new Building Official was promoted in September 2022, followed by a new City Manager in May 2023, and a new Community Development Director in November 2024. These transitions have influenced the timing of the audit's implementation. The audit findings have been reviewed by the new leadership team, who acknowledge the areas for improvement and are committed to addressing them. Once City Council reviews the findings and provides direction, staff will develop a detailed workplan to implement systematic changes.

Department Overview

The Community Development Department (CDD) comprises of three divisions and one group: the Planning Division, Housing and Community Services, Building Division, and the Innovation Group. While each plays a role in the permitting process, the Building Division is the primary entity responsible for oversight.

The Building Division consists of 51.71 Full-Time Employees (FTE) and is structured into two main teams: the permit review group and the inspection group. Leadership is provided by the Building Official and the Assistant Building Official, mirroring the organizational structures of cities of similar size.

In 2018, the City implemented the Accela Civic Platform, including Accela Citizen Access (public portal) and partnered with True Point Solutions for technical services. The platform launched in 2021, transitioning the department to a fully digital permitting process in response to COVID-19. In 2022, a Management Analyst was added to the team to act as a technology leader for the department, managing and implementing improvements to the City's enterprise permitting system and other technology tools. In August 2023, the role expanded to include web content management. Since then, the roles and services have evolved and become more integral to the department and is now called the Innovation Group. The Innovation Group supports all of CDD and leverages new technology platforms and department wide communications. This team is integral to customer service and digital transformation initiatives.

The permitting process involves multiple internal departments (e.g., Community Development, Public Works, Traffic Division, Fire Department, Silicon Valley Power, Water & Sewer Utilities) and external agencies such as the Santa Clara Unified School District. The Building Division coordinates all inputs and serves as the central hub for technical reviews via the Accela platform.

Audit Response and Staff Commitment

The Building Division staff are fully engaged in day-to-day operations and committed to delivering excellent customer service. Throughout the audit, staff have collaborated transparently—sharing documentation, identifying gaps, and contributing frontline insights. Even prior to the formal release of audit findings, the Building Division and Innovation Group began addressing concerns, examining internal systems, resource allocation, and capacity. Improvements in the department have begun and staff were able to extract data of a newly launched Qmatic program at the front counter. The following is from July 1, 2024 – March 26, 2025. During this timeframe the department served over 3,600 customers and 210 responded to the survey.

- 87.6% gave a 5/5 when asked to rate their Permit Center experience.
- 86.1% gave a 5/5 when asked to rate the wait times.
- 90% gave a 5/5 when asked to rate their satisfaction with the staff member they worked with.
- 87.1% say the Department were able to resolve their issue.

Below are the key internal improvements along with actions taken, those in progress, and future plans:

Finding 1: Policies and Procedures

1. Completed, January 2024: The Accela Knowledge Base (AKB) is a centralized staff resource supporting the City's enterprise permitting system. With over 150 employees using the platform and nearly 9,000 visits in 2024, the AKB has improved consistency, reduced staff response time, and enhanced service delivery for the public.
2. Completed, December 2025: The initial draft of the Policies & Procedures manual completed. The framework and outline have been developed.
3. In Progress: Project parameters established to document divisional Policies & Procedures within workgroups—complete by June 2025.
4. In Progress: Concurrently develop new and modify existing workflow models to assist customers understanding of City's Building permit review processes.
5. In Progress: Develop and modify existing division handouts across the board to assist customers to make them user friendly.
6. In Progress: Improve the AKB to expand knowledge management and training resources, including updates to internal documentation and support tools to ensure consistent system use and best practices.

Finding 2: Timeliness of Permitting Process

1. Completed March, 2023: Launched Simple Permits (for limited residential projects) and SolarApp+ resulting in 1-2 days approvals with 70% permits issued same day. The Building Division and the Innovation group collaborated to streamline building permitting processes.
2. Completed, March 2023: Improved Plan Review timelines for 4,6,10 weeks in first plan review. Subsequent reviews are at 50% of timelines.
3. Completed, May 2024: Created detailed submittal requirements handouts for different types of project such as Single-Family Dwelling, Duplex, ADU, Multifamily, Mixed Use, etc. and made them available on the Building Division website for a complete permit submittal.
4. Completed, June 2024: "Active Review Task/Workflow" to assist all City Stakeholders understand the status of all projects actively "In Review" allowing stakeholders to easily see any overdue projects and understand the total scope of projects in the review queue.
5. Completed, July 2024: Reporting and monitoring the performance of Building review tasks for different review types (OTC, Simple, Regular, Complex and Large New Building). Prior to the release of this audit, the Plan Review manager would run these reports quarterly, effective July 2024 these performance reports are run on a monthly basis.
6. Completed, August 2024: Developed a pre-approved ADU Plan Program to reduce the time required for plan check resulting in faster permit issuance. This pre-approved ADU plan program was made available on website in August 2024. The division will monitor the effectiveness of the program.
7. Completed, August 2024: Launched a "Plan Check Dashboard", showing active review tasks for all Building plan reviewers and consultants with target due dates. The Plan Review

manager uses this Dashboard twice a week to monitor the plan reviewer's workload and any potential overdue Building review tasks.

8. On-going: Streamline and expand Over-the-Counter (OTC) and simple permit applications by June 2025. With the expanded Simple Building Permits, the applicant can typically receive approval for building permits within 1-2 business days.
9. In Progress: Building Division is evaluating the plan review target timelines and coordinating with our internal stakeholders to reduce the timelines for various project types.
10. Future Workplan: Integrate permit system data with other City platforms, such as GIS and SolarAPP+, to provide a more holistic view of land use and development activity and provide more self-help records requests options.

Finding 3: Permit Fees

1. Completed, September 2023: Implemented automated fee calculations in Simple Permits and SolarAPP+ for projects with known variables, reducing manual data entry and minimizing errors.
2. Completed, January 2024: The Permit Tech workgroup instituted a regular weekly meeting program to provide training and review daily operating procedures to ensure consistent application of the Divisional Policy & Procedures.
3. Completed, May 2024: Implemented a standardized review process for all Building permit fee invoices performed by the Senior Permit Techs and/or the Permit Center Supervisor to identify any reoccurring errors and provide real-time training and updates.
4. In Progress: Developing a comprehensive Policy & Procedures manual, in accordance with finding #1, with a detailed section on permit fees.
5. In Progress: Developed a QC program that reviews random permit records on a monthly, quarterly and annual bases to verify all aspects of the permitting process from intake to issuance.

Finding 4: Performance Monitoring and Process Improvement

1. Completed, July 2024: Implemented a customer feedback survey that is automatically sent to all customers who visited the permit center once their appointment was completed.
2. In Progress: Expand our use of customer surveys to better understand any gaps in service and ways to improve the customer experience, including after submitting an application.
3. Completed, March 2024: Developed and implemented several internal reports to improve transparency for all City stakeholders and reduce the occurrence of late plan reviews.
4. In Progress: Working with all stakeholders to review and assess plan review performance measures.

5. Completed, 2023-24: Streamlined key permitting workflows and automated internal processes, reducing manual staff effort and improving turnaround times for permit processing, such as the Planning Zoning Clearance and the SolarAPP+ revisions application.
6. Ongoing: Advanced the City's Enterprise Permitting System by leading strategic improvements to the Accela Civic Platform, enhancing the user experience for both staff and the public and laid the foundation for more improvements to come.
7. Completed, July 2024: Solar App+ Revisions launched to automate revisions for the permits.
8. Completed, July 2024: New queuing and appointment booking app for Permit Center launched.
9. Completed, 2024: Streamlined Planning Division applications for administrative approvals.
10. Ongoing: Expand knowledge management and training resources in the Accela Knowledge Base for staff, including updates to internal documentation and support tools to ensure consistent system use and best practices.
11. Ongoing: Leverage system analytics and reporting tools to support data-informed decision making and continuous process improvement within Community Development and across departments.
12. Ongoing: Collaborate on Citywide digital transformation efforts, using the Permitting Online Portal as a model for service delivery modernization and customer-centered design.
13. August 2025: Complete a comprehensive web content audit to improve accessibility, clarity, and user-experience across Community Development webpages, aligning with WCAG standards and best practices for a Permit Center website while supporting the launch of the redesigned Permitting Online Portal.

Organizational Assessment

In February 2025, the City launched an organizational assessment, with the Community Development Department (CDD) among the first evaluated. The assessment, along with the audit by Baker Tilly, will help identify structural, operational, and capacity-related strengths and challenges. Leadership, management, and staff across CDD and partner departments are aligned in their commitment to improve the permitting process.

Next Steps

Once the audit committee and City Council provide guidance, staff will present a detailed workplan that includes performance metrics, improved timelines, robust use of Accela, and documentation of systematic improvements.