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REPORT TO COUNCIL

SUBJECT

Action on Addition of Three Community Development Department Positions Funded by Building Division Permit Fees and Related Budget Amendment

COUNCIL PILLARS

Deliver and Enhance High Quality Efficient Services and Infrastructure; Manage Strategically Our Workforce Capacity and Resources

BACKGROUND

The City's Community Development Department Building Division operates as a cost recovery fee funded program with permit fees covering 100% of service delivery costs. Permit activity and accompanying revenue have both grown steadily over the past ten years. The Building Division's budget is appropriated in its own Building Development Services Fund. The fund maintains a positive balance in order to support the delivery of services that may continue for one to three years after the collection of permit fees. This also provides some buffer to mitigate fluctuations in economic and building industry activity. The Building Division budget includes projected revenue and costs for each fiscal year including anticipated surpluses to contribute to the reserves. While the Building Division experienced a slight drop in activity in the early months of the COVID pandemic (March-May 2020), the Building Division completed FY 2020/21 with revenue greater than projected in the Division's budget. Similarly, FY 2021/22 was completed with revenue nearly 50% greater than projected, further contributing to the growth of the Building Division fund balance. As of September 30, 2022, revenues have tracked higher than budget at approximately 35% collected.

DISCUSSION

The Building Division (Division) continues to operate at historically high levels of permit activity, which have steadily increased over the last ten years. As activity levels grow, it is necessary to gradually

add staff in order to maintain a proper balance between demand for services and the City's ability to respond to that demand. The Division revenue is affected by economic cycles and can be impacted during economic downturns. As mentioned above, the Division maintains a reserve fund to help weather such downturns. In addition, the Division employs a significant number of contract and part-time staff to respond to increases in demand while providing flexibility to reduce staffing levels if necessary.

To respond to the increased demand in services and accompanying growth in revenue, and to provide a more efficient and effective organizational structure, staff is proposing to add three new positions within the Building Division administrative support team. While the Division has increased staff in the past three to four years for the plan check and inspection teams, there has not been an accompanying increase in the administrative support team. The proposal would add the following three positions: one Customer Service Representative, one Senior Permit Technician and one Permit Technician. These positions would be fully funded through the Building Division fee program and not impact the City's General Fund. The Building Division program has sufficient balance to fund the requested positions due to the sustained increase in development and permit activity as it strives to provide the highest level of customer service to our residents and the development community at large. This adjustment will provide balance to our staff given the growth in our plan review and inspection teams over the past few years.

The Customer Service Representative (CSR) is the main point of contact for all divisions within the Development Services Department. There is a constant flow of customer walk-ins, in-person over the counter appointments, and phone calls requesting information, status updates, or payment processing. The additional CSR will help provide direct, first point of contact assistance to customers. This key position also increases efficiencies across the entire department and other stakeholders by guiding customers to the correct staff personnel. This position will help alleviate one of the largest customer complaints of being "bounced" around when attempting to reach someone with the knowledge base to answer a specific question.

The Senior Permit Technician will serve as a subject matter expert within all stages of permit application and issuance as well as provide technical support for permitting services for the Division and all the other City departments. The Senior Permit Technician will assist with project management and play a key role in the ongoing administration, maintenance and user knowledge sharing for the City's Accela permit tracking system. Furthermore, this position will ensure that any technical issue is well documented, communicated to upper management and shared with other City staff collaboratively. There is currently no such person on staff who is devoted to these ongoing issues in a full time and permanent capacity.

The addition of a Permit Technician will help allow staff to process submittals more quickly while providing a higher level of customer interface. As the Division has implemented an all-electronic, paperless model for Building Permit submittals, a greater level of scrutiny and vetting is required to assess permit submittal packages for completeness, appropriate fees and to assign permit processing workflows. Although the Division has created excellent customer guides for the electronic submittal process, customers often require a greater level of assistance in the permitting workflow. Adding this position to the Permit Center team will result in fewer delays and errors, quicker turnaround times, and overall improved customer service.

The addition of these three positions (Customer Service Representative, Senior Permit Technician and Permit Technician) will contribute to balancing the Building Division work volume with customer

needs and expectations. By increasing the Building Division staff in this manner, the team will have a better opportunity to meet service demands in a positive, proactive manner.

ENVIRONMENTAL REVIEW

The proposed staffing changes are not a project subject to CEQA review under section 15378(b)(5) as they are organizational or administrative activities that will not result in direct or indirect physical changes to the environment.

FISCAL IMPACT

These positions will be fully funded by Building Division permit fee revenue and therefore there will be no impact to the City’s General Fund. The estimated annual cost for the Customer Service Representative (\$161,000), Permit Technician (\$175,000), and Senior Permit Technician (\$179,000) totals \$515,000. In FY 2022/23, a budget amendment in the Building Development Services Fee Fund is recommended to fund the positions for six months through the remainder of the fiscal year as detailed below.

**Budget Amendment
FY 2022/23**

	Current	Increase/ (Decrease)	Revised
Building Development Services Fund (155)			
<u>Expenditures</u>			
Community Development - Building Division	\$13,576,839	\$258,000	\$13,834,839
<u>Fund Balance</u>			
Unrestricted Ending Fund Balance	\$21,895,813	(\$258,000)	\$21,637,813

COORDINATION

This report has been coordinated with the Human Resources Department, Finance Department and City Attorney’s Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City’s official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City’s website and in the City Clerk’s Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk’s Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

1. Approve the addition of one Customer Service Representative, one Senior Permit Technician and one Permit Technician position in the Community Development Department’s Building Division; and

2. Approve the FY 2022/23 budget amendment in the Building Development Services Fund to increase the Community Development's Building Division appropriation by \$258,000 and decrease the unrestricted ending fund balance by \$258,000 (**five affirmative Council votes required for the use of unused balances**).

Reviewed by: Andrew Crabtree, Director, Community Development Department

Approved by: Rajeev Batra, City Manager