



# REPORT TO COUNCIL

## City of Sacramento

915 I Street, Sacramento, CA 95814-2671  
[www.CityofSacramento.org](http://www.CityofSacramento.org)

STAFF REPORT  
 April 25, 2006

Honorable Members of the  
 Sacramento City Council

**Subject:** Year 2005-2006 Annual Report of the Development Oversight  
 Commission (DOC)

**Location/Council District:** Citywide

**Recommendation:**

Development Oversight Commission and staff recommend that the City Council take the following action: 1) Adopt the attached resolution accepting the DOC 2005-2006 Annual Report and ten (10) recommendations.

**Contact:** William Thomas, Director of Development, 808-1918; Art Gee, Operations Manager, 808-5945; Janis Franklin, Program Specialist, 808-7705

**Presenters:** Marty Hanneman, Assistant City Manager for Development; William Thomas, Director of Development; John Nunan, 2006 DOC Chair; Bruce Starkweather, 2005 DOC Chair; Michael Malinowski, 2006 DOC Vice Chair

**Department:** Development Services

**Division:** Administration

**Organization No:** 4811

**Summary:**

The City's Development Oversight Commission is submitting its comprehensive annual report for 2005-2006. The report contains the Commission's review of accomplishments and opportunities for continued focus. The Department Staff has been working closely with the Commission throughout the year and supports their recommendations.

Staff believes the Commission has been instrumental in leading and supporting positive changes that have occurred in the City's development review services. However, there is more to be done as discussed in their report. Staff therefore recommends that the City Council adopt the attached resolution. The resolution outlines ten (10) specific recommendations that will assist the City Council, City Manager and City Departments to achieve the goal of leading Sacramento to become America's "most livable City".



**Committee/Commission Action:**

On April 3, 2006 the Sacramento Development Oversight Commission approved the final version of their Annual Report and ten (10) recommendations, written by DOC members.

**Financial Considerations:**

Additional funds will be necessary to continue implementation of the initiatives outlined in the DOC's 2005-2006 Annual Report, which includes the expansion of MATRIX citywide. Funding for the recommendations has not been identified to date. However, Development Services staff has forwarded a detailed request to the Budget Office for consideration in the FY2006/07 budget. It is anticipated that Council will receive further information and a recommendation from the City Manager's Office during the May and June budget hearings.

**Environmental Considerations:**

The proposed amendments to the City Code are exempt under CEQA Section 15061(b)(3).

**Policy Considerations:**

The proposed resolution is consistent with the City's Strategic Plan, three-year goal to improve and expand public safety.

**Emerging Small Business Development (ESBD):**

No goods or services are being purchased under this report.

Respectfully Submitted by: Art Gee  
Art Gee  
Operations Manager

Respectfully Submitted by: Janis Franklin  
Janis Franklin  
Program Specialist

Approved by: Art Gee for  
William Thomas  
Director of Development Services

Approved by:   
Marty Hanneman  
Assistant City Manager for Development

Recommendation Approved:

*Don*   
RAY KERRIDGE  
City Manager

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## **RESOLUTION NO.**

Adopted by the Sacramento City Council

April 25, 2006

**A RESOLUTION APPROVING THE YEAR 2005-2006 ANNUAL REPORT OF THE CITY'S DEVELOPMENT OVERSIGHT COMMISSION AND PROVIDING CONTINUING DIRECTION FOR THE RECOMMENDATIONS AS OUTLINED IN THE REPORT INCLUDING SUPPORT OF THE COMMON SENSE POLICY AND CONTINUED FUNDING.**

### **BACKGROUND**

A. The City of Sacramento Development Oversight Commission (DOC) is comprised of building industry representatives and members of the public appointed by Mayor Heather Fargo and approved by City Council to assure follow through of recommendations from Mayor's Commission on Development that were approved by the City Council on July 20, 1999. In addition, the DOC provides a forum that enables the public and city staff to introduce and to discuss suggestions, comments, and concerns regarding the procedures and processes of the city's development services function.

B. In both the 2003 and the 2004-2005 Annual Reports, the DOC identified the need for a City Council endorsed policy to empower the City's Development Services Department to apply and implement the City's land use and development ordinances, codes, and conditions of project approval in a manner consistent with the goals and policies of the City's General Plan and community plans as well as the City Council's adopted vision and mission of the City's Development Services Department.

### **BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

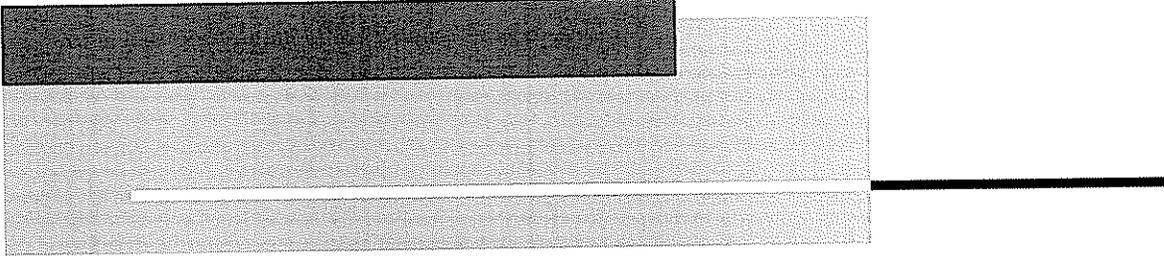
Section 1. The City Council of the City of Sacramento accepts the 2005-2006 Development Oversight Commission Annual Report and ten (10) recommendations.

Section 2. The City Council of the City of Sacramento endorses the following "Common Sense Policy" to guide the application of discretion in decision-making within the Development Services Department:

In interpreting and applying the City's codes, ordinances, and conditions of approval regulating land use and development, the City's staff shall exercise appropriate discretion and common sense so as to achieve and carry out the goals and policies of the General Plan, applicable community plans, the Zoning Code, and other land development policies, rules, and regulations while at the same time adhering to the mandates of the Council's legislative actions.

Adopted by the City of Sacramento City Council on date by the following vote:

Clerk will insert the Vote Here



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**2005-2006 DOC COMMISSIONERS ROSTER**

**Mark Abrahams**

Building Industry Professionals Appointee

**Kristina McBurney**

Public at Large Appointee

**Holger Fuerst**

Building Industry Professionals Appointee

**James Gately**

Building Industry Professionals Appointee

**Brian Holloway**

Building Industry Professionals Appointee

**Michael Malinowski, AIA, 2006 Vice Chair**

Building Industry Trade Organization Appointee

**John Nunan, 2006 Chair, 2005 Vice Chair**

Building Industry Trade Organization Appointee

**Bruce Starkweather AIA, 2005 Chair**

Building Industry Professionals Appointee

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**CITY STAFF LIAISONS TO THE DEVELOPMENT OVERSIGHT COMMISSION**

**Marty Hanneman**

Assistant City Manager of Development, Office of the City Manager

**William Thomas**

Director of Development, Development Services Department

**Art Gee**

Operations Manager, Development Services Department

**Janis Franklin**

Program Specialist, Development Services Department



DEVELOPMENT OVERSIGHT  
COMMISSION

**CITY OF SACRAMENTO**  
CALIFORNIA

NEW CITY HALL  
915- 1 STREET, STE 300  
SACRAMENTO, CA 95814

## **Letter to the Mayor and City Council**

March 20, 2006

Re: 4<sup>th</sup> Annual Report for the Development Oversight Commission (DOC)

Honorable Mayor Fargo and City Council of the City of Sacramento;

As presaged in last year's Annual Report, your Development Oversight Commission's fourth year was characterized by a redefinition of purpose and focus in its activities. The Commission's metamorphosis reflects the dramatic positive changes and advancements undertaken by the City's development-related departments in 2005 and are positioning us to more appropriately support their efforts to further transform and improve the development review process.

Most significant, the DOC's role as a leader and guide of process and cultural change has now been ably assumed by the department teams. The new and creative visions for process improvement are now coming from City staff, not from the DOC. This is a true milestone in the development of a culture of continuous improvement. This change hardly puts the DOC out of business; rather it gives us the opportunity to focus on more strategic activities in areas where the development-related departments continue to need help.

Throughout 2005 and continuing this year various members of the DOC have been working in small groups with different members of development staff in an effort to provide detailed strategic support and discussion to ideas deemed most urgent by department management. Recognizing that the current Commission roster is the most diverse and talented ever, each Commissioner is being assigned to become active working with the department in their specific area of interest or expertise. The Commissioners will also continue to be mentors for department staff and advocates for department programs and funding needs.

The DOC will play a continuing role in facilitating process improvements involving the Department and non-department participants such as other City Boards and Commissions, neighborhood groups and the applicant public. The current preparation of the new General Plan for the City will be generating the need for additional development services improvements, processes and enhancements to have the organization in place to implement the plan most effectively.

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The DOC will continue to evaluate and support the performance of all development review Departments in the strategic areas of:

- Continuing the Cultural Change of the Department
- Improving the Organizational Structure
- Streamlining the Process
- Promoting an Appropriate Regulatory Environment

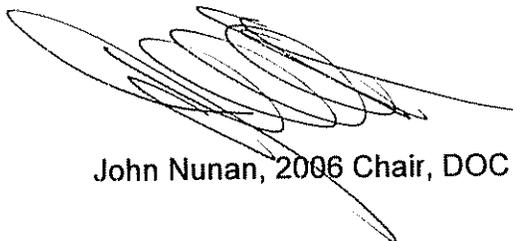
With renewed commitment, the DOC is prepared to assume any required role in assisting the City Council, City Manager and City departments to achieve the goal of leading Sacramento to become America's "most livable City".

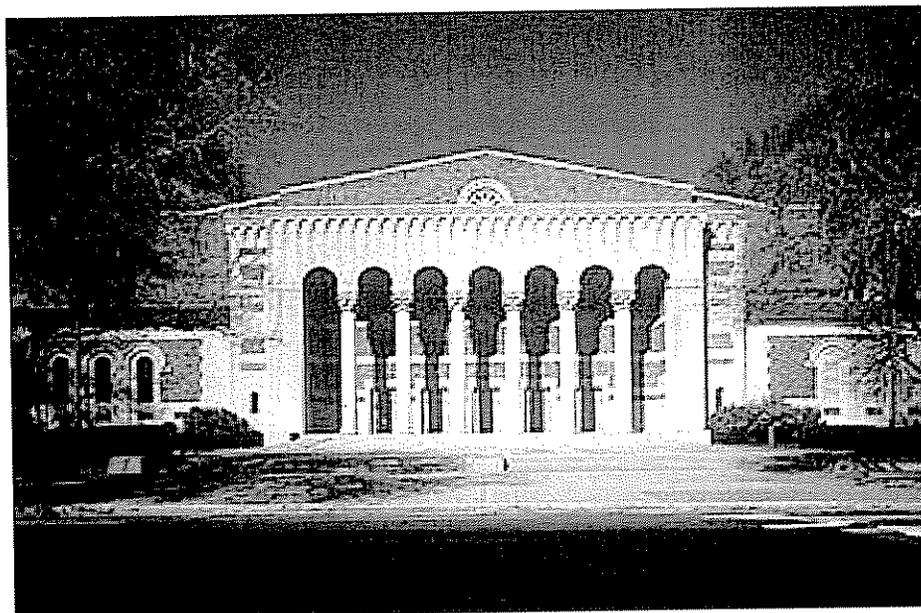
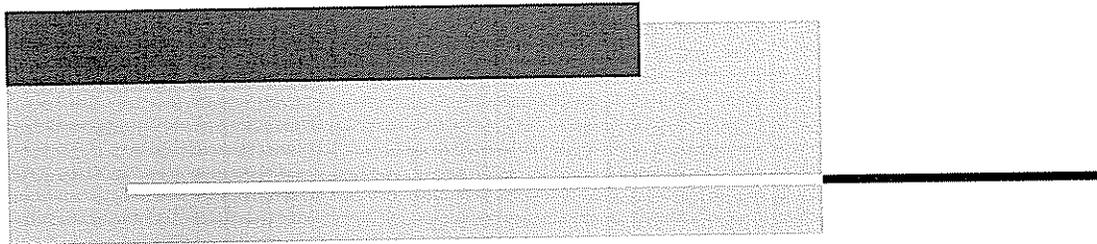
In this context, the Development Oversight Commission supports the following:

1. Expansion of the application of the MATRIX review process to include all areas of the City.
2. Funding and staffing augmentations to facilitate the expansion of MATRIX.
3. Providing permanent funding support for increased staff resources through an appropriate fee structure.
4. Completion of the division of the Design Review and Preservation Board into two separate entities.
5. Creation of a focus group to undertake a study of the planning process in the City of Sacramento with particular emphasis on determining the proper roles of the City Planning staff and the Planning Commission.
6. The ongoing organizational development of the Development Services Department.
7. Continued cultural changes including the empowerment of all staff involved in the development review process and positioning decision-making authority at its proper level.
8. Continued technology advancement to support communications with the public, process streamlining and Best Practices outreach programs.
9. Support of the Common Sense Policy by City Council and adoption of the policy by all departments involved in the development review process.
10. Continued innovative evolution of the City's role in the development process from enforcer, to facilitator and finally, to partner.

Sincerely,

  
Bruce Starkweather, 2005 Chair, DOC

  
John Nunan, 2006 Chair, DOC



## CONTINUING THE CULTURAL CHANGE OF THE DEPARTMENT



## CONTINUING THE CULTURAL CHANGE OF THE DEPARTMENT

### Overview

From the beginning of 2005, "Getting the Customer to Success" was the focus for the newly formed Development Services Department (DSD) and the new Assistant City Manager/Director, Ray Kerridge and his team. It built off the foundation laid in the previous three years of department reorganization, team building and leadership development. Customer focus groups met to define "success" from their perspective. The Department created a set of Operating Principles to guide their continued improvements, as well as a Customer Service Warranty to establish appropriate expectations for all involved.

The DOC raised the issue of creating a Culture of Innovation in the organization in our first report in 2003. The use of SWAT teams and industry focus groups to "scrub down" existing processes to find more effective and efficient methods to achieve regulatory review have resulted in numerous improvements small and large. The staff has also been empowered and encouraged to recommend process improvements that benefit both the customer as well as department efficiency. The MATRIX pilot project is the most significant example of what this innovative culture can achieve. This program has created not only a new way of providing integrated project review, but also a new business model for a regulatory agency.

### Teambuilding

#### Teambuilding Sessions:

Two teambuilding sessions, including representatives from all departments involved in the development review process, were successfully conducted in 2005. The first provided a healthy dialogue between DSD staff and customers to define success from a customer perspective. The second provided an opportunity for the department to solidify around a common mission and operating principles for getting the customers to success.

#### Focus Groups:

Teambuilding Workshop customers were invited back to become partners with the departments providing development services and DOC as Focus Group members involved in a continuing communication process that provides valuable two-way feedback. In addition to feedback on quality of services the Group has also provided a great sounding board for new concepts such as the MATRIX pilot.

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**MATRIX Pilot:**

The MATRIX pilot created a new type of City team: a team comprised of multidisciplinary, multi-departmental, members who are organized around a product type and that can handle the City's development review from concept to occupancy without external handoffs. MATRIX creates a team environment where each meeting and each process activity is a cross training experience for its members.

**Customer Service Training:**

The development-related departments conducted an all hands Customer Service Training from July through August of 2005. The training sessions were in small mixed, groups meeting five times. Department staff members were chosen to receive training from a consultant to serve as facilitators for the sessions. The Department gained from the sessions a more skilled staff in providing service as well as new facilitators for future needs.

**Integration of the departments of Transportation and Utilities:**

The integration of the Transportation and Utilities Departments, with Development Services under one Assistant City Manager provided unified leadership and direction. Recent changes have also included the departments of General Services and Parks. The addition of development review policy coordination and implementation of process improvements both benefit from multi-departmental cooperation and support.

**Culture of Innovation**

**The MATRIX business model:**

MATRIX began as piloting a concept and has quickly proven to be a better way of doing business. Within the culture and capacity of the MATRIX team, new innovative tools and programs have been developed that benefit the entire department. Process road maps for each product type have been developed and placed on the web site with "clickable" information points. MATRIX member bios have been placed on the web making it easy to search for staff expertise and where to direct questions. Lunch and Learn sessions, which began as an idea for staff training, have expanded to be offered to the public.

**Department Operating Principles:**

Three simple operating principles guide every action taken by staff in the development review process.

- 1) Get the customer to success
- 2) Promote safety, livability, and economic vitality
- 3) Value our customers and our employees

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## **Building Community Trust**

### **Customer Outreach:**

A series of outreach sessions were held throughout the year with the organizations that represent the development community, business community, and neighborhoods. Several important topic issues were covered including the MATRIX pilot program, future roles of Boards and Commissions, proposed ordinances related to process streamlining and regulatory reviews, and proposals to create a truly transparent process.

### **Focus Groups:**

Customer Focus Group sessions have created a solid working partnership between customers, City staff, and the DOC. Participants have gained insights from open and constructive discussions.

### **Media and Communication Activities:**

The Department's Media and Communications Specialist had established an open communication channel with the media and trade organizations. Important initiatives to improve the City's development process have appeared in the media and trade publications throughout the year.

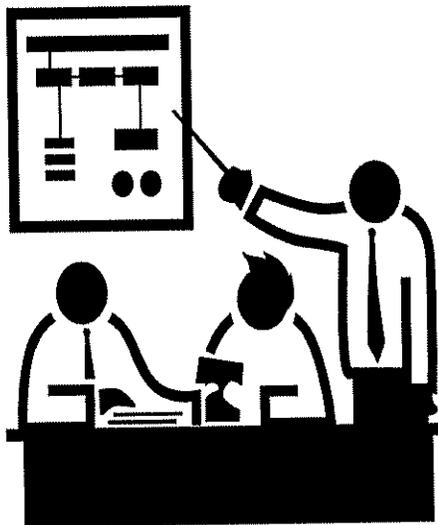
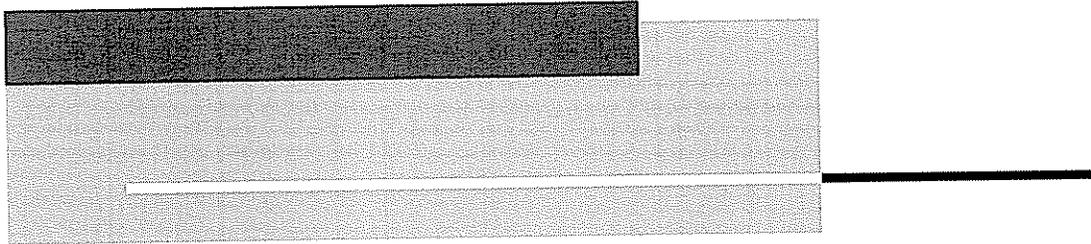
## **Measuring Customer Success**

### **Success Defined With Customers**

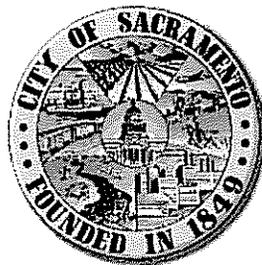
During development-related department-wide teambuilding sessions in 2005 a dialogue between Staff and customers was initiated to define success from a customer perspective. From these discussions, a draft Customer Bill of Rights was created. Focus groups were held to refine this draft, and a Customer Service Warranty was created. This Warranty will be presented during customer outreach sessions in 2006 and advertised in the media.

### **Success Measurements**

The departments have in place several avenues to gain a better sense of how customers feel about the quality of services that they are receiving. These include periodic customer surveys and customer feedback cards at the public counters. The DOC regularly invites organizations that represent the development industry to attend their meetings and to provide feedback. Individual DOC members also attend meetings of development industry organizations to hear feedback. Most recently the departments have engaged customer focus groups on several occasions to elicit feedback and to serve as a sounding board for new proposals. Much of the focus has been on reactions to services provided. The next step is to be more proactive in anticipating what services and service delivery will be needed based on trends in the industry.



# IMPROVING THE ORGANIZATIONAL STRUCTURE



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**IMPROVING THE ORGANIZATIONAL STRUCTURE**

**OVERVIEW**

2005 saw continued dramatic change and improvement in the organizational structure of the Development Services Department (DSD). The DSD not only gained a more unified direction by the placement of the Transportation and Utilities departments, and more recently the General Services, Parks and Recreation and Planning Departments, under the same Assistant City Manager (ACM) but also modified its own internal structure to suit the new processes being undertaken.

The Development Oversight Commission (DOC) provided continuous assessment and advocacy for ACM Kerridge and his staff decisions and will support and promote the efforts of the new ACM Hanneman in 2006. The DOC will actively recommend and campaign for the augmentations in staff and funding necessary to achieve the development-related department's goals.

**ORGANIZATIONAL STRUCTURE – THE MATRIX**

The "pilot program" described in last year's report as a new "team" approach to the development review process has now blossomed into the MATRIX which has transformed the internal workings of the development-related departments. Long separated by the artificial barriers of traditional development review structure, the staff participating in the MATRIX program is now thriving and being inspired by the benefits of the team culture and process.

While the MATRIX program seems to be an unqualified success and is unquestionably the framework for future process improvements, its current limited application is proving to cause some difficulty for the department organization. The development-related departments currently support two parallel development review programs, the MATRIX in a limited geographic "test" area and the traditional process in the rest of the City. While substantial culture and process changes have been instilled in the traditional review program, it is time to consider expansion of the MATRIX program citywide. This expansion will require augmentation of staff, substantial additional training expense and enhanced public outreach, but the reward is that the entire city development review process will be led in the same direction under a unified philosophy.

The DOC supports the citywide application of the MATRIX program and requests that the City Council consider the funding to realize this effort.

**CUSTOMER SERVICE DIVISION**

A very important DSD organizational structure change occurred in 2005 – The creation of the Customer Service Division. This new division has three subdivisions: Counter Services, Communications and Quality Assurance. Counter Services will strengthen the coordination of operations and staffing at the help line and service counters, which will give its customers more consistent and reliable information. Communications will coordinate all written, graphic and

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electronic relations with applicants. Quality Assurance will provide continuous assessment and oversight of department processes and services.

The significance of establishing the Customer Service Division goes beyond the immediate positive effects for the applicant public. The cultural principle of customer service is now institutionalized in the organizational structure, and there should be no barriers to continuous improvement of procedures helpful to everyone.

The DOC strongly supports the formation and activities of the Customer Service Division. We also advocate for the addition of staff and resources to fully implement the goals of this change. Specifically, we support the addition of a Permit Services Manager for the planning area, an administrative staff person for Communications and a Quality Assurance Supervisor.

### **LEADERSHIP TODAY AND TOMORROW**

Among the changes in the development-related departments in 2005 two themes have emerged in regard to department leadership. First, like the multi-disciplinary teams in the new review process, the department's leaders must reflect that broad palette of capability, which the organizational structure must accommodate. Second, decision-making is being delegated to the appropriate level. Staff is being empowered and developed to assume these responsibilities.

DSD leadership evolved dramatically in 2005 to fit the needs of new ideas and processes. ACM Hanneman, with the addition of Utilities, Transportation, General Services, Parks and Recreation and Planning Departments, truly directs all the components of development review. With his strong background in transportation leadership he will be successful in integrating the new components. Director of Development Thomas leads his portion of the department in a manner roughly parallel to the lead of a MATRIX program review team reflecting the unity of philosophy of process. Planning leadership has been arranged into long-range and current planning specialties recognizing the unique demands and focus of each. The final position piece, the Urban Design Manager, long promoted by the DOC and urban planning activists, will provide needed creative and visionary design leadership refinements that support the DSD's goals. DOC members have participated in outreach and assisted with the selection process for many key department leadership positions.

The DOC supports the development-related department's efforts to broaden the capabilities of staff and enlarge the ranks of decision makers. The MATRIX program's team structure places a premium on staff-level discretion and empowerment, and its team leader positions are a training ground for the department leaders of tomorrow.

### **RESTRUCTURING BOARDS AND COMMISSIONS**

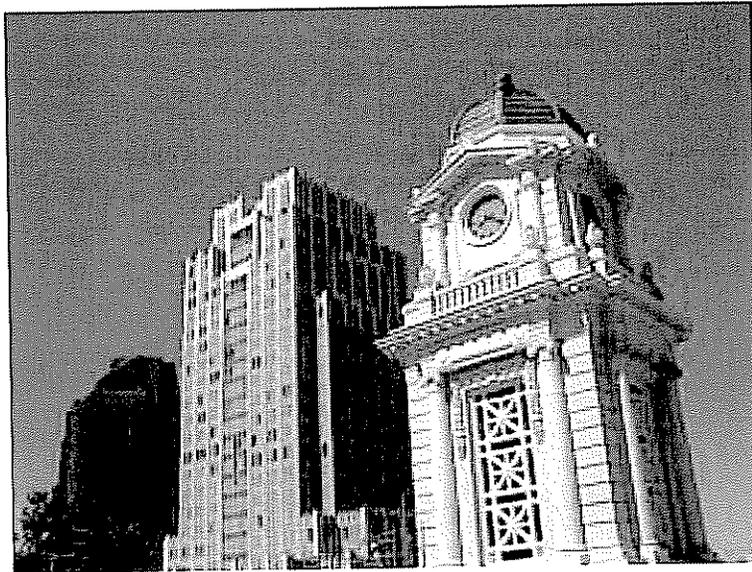
When describing the organization structure of the development-related departments, one would give an incomplete picture without including those boards and commissions that, up until recently, seemed to operate independently, completely outside of the department's processes. Indeed, the roles and value of the boards and commissions need to be consistent with the City's current goals. In 2005 ACM Kerridge took steps to bring the separation of Design Review and

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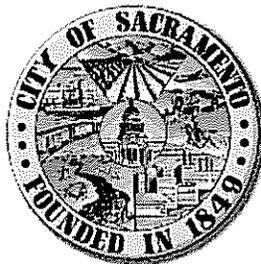
Preservation Boards to near completion. Final ordinance approval to complete this separation will occur in 2006. Then, with the increased community trust that has been engendered by early notification programs and increasing public confidence in the abilities of City staff, the need for the "hearing" role of these bodies will diminish and they can focus on policy and program development rather than projects.

The DOC is assuming a similar leadership role in revamping of the planning process in the City of Sacramento, including developing an appropriate organizational structure for the Department and Planning Commission to conduct their business in a transparent streamlined manner.

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# STREAMLINING THE PROCESS



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**STREAMLINING THE PROCESS**

**OVERVIEW**

If there is a single concept that represents the majority of the DOC and Development Services Department emphasis over the past two years, it is "process streamlining". 2005 saw every step in development review assessed for potential application of streamlining measures. Significant successes or advancements include the expansion of the Help Desk program to assist all applicants, use of SWAT teams to create e-permitting and streamlining staff level planning applications, combination inspection training for residential inspectors, new niche programs such as the facility permit program, and the use of customer focus groups and surveys to measure success.

2005 also marked the kick-off of a wave of technological advancements that will further streamline the process of the future. By the end of 2006, the plan review applicant will see much advancement in this area.

**STREAMLINING IN PROGRESS**

**FACILITIES PERMIT PROGRAM**

As the size of individual retail and commercial development projects grow in Sacramento, unique streamlining opportunities arise in regard to the permitting process for tenant improvements. A large retail center or office building may generate as many as 30 to 40 individual tenant interior build-out projects, which are often very similar or even repetitive in nature.

The DSD has taken the novel approach of assigning a plan review and inspection team to a particular development or building. The team will review and inspect all projects within the development, in some cases even performing the plan reviews at the jobsite. This is much more efficient and economical than the traditional approach of assigning the project to the next review team in line without regard to their familiarity or experience with the particular building.

With the expected onset of high-rise and other large commercial projects in the city over the next few years, this Facilities Permit Program will prove to be a real time-saver for the developer as well as a much more economical use of staff for the DSD.

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**PROCESS IMPROVEMENT TEAMS**

A cornerstone of the streamlining of DSD activities in 2005 has been the instituting of Process Improvement using "SWAT" teams to focus on improving operations in detailed areas of plan review activity. A major 2005 success was the overhauling of how the department handles the over 1,300 staff level planning applications. Very indicative of the new direction is the reward of shorter processing time for applicants who conduct early notifications, pre-application meetings and achieve consensus. The responsibility of these teams will broaden in 2006 with such varied targets as the review of the minor encroachment permit process (SWAT III), the review of the Public Works plan review process (SWAT VI), Minor Label Program (SWAT V) and the review of the subdivision mapping process (SWAT VII). This team attention to these individual subjects allows a great deal of simultaneous improvement work to go on throughout the DSD.

The DOC participates in the Process Improvements Team activities as a group, discussing and vetting staff reports and, individually, attending team meetings and offering suggestions.

**THE MATRIX**

The unquestioned crown jewel of the development-related departments streamlining processes is the MATRIX pilot program. Although the measures of its 2005 success are more qualitative than quantitative, there is enough excitement and optimism among the applicant public who have experienced the process to justify the consideration of citywide expansion. With sufficient staffing and funding support, the MATRIX process will be available in all geographic areas of the city.

A key attribute of the MATRIX program is its compatibility with other process improvements being implemented in the development-related departments. Thus, streamlining in Development Services, Planning, Utilities, Parks and Recreation, General Services or Transportation departments can have a direct effect on the efficiency of the MATRIX.

Another goal related to the MATRIX process, and supported by the DOC, is the expansion of the roster of the project team beyond the bounds of applicant, consultants and staff. Important players such as SMUD, Cal-Trans, telephone companies and other utilities will be invited to join the group as appropriate to a project. These groups are often left out of the review process just long enough to create delays or other problems.

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## **TECHNOLOGICAL ADVANCEMENTS**

A number of technological advancements within the DSD will streamline the exchange of vital information between the applicant, the community and the review team in 2006 resulting in a more transparent, economical and predictable review process. Some of these are:

- A new and expanded DSD web page with reference and instructional narrative and streaming video.
- The Accela system, a web-based tool for applicants to follow the status of their projects through the review process. It will also provide the community with early access to develop permits and activities in the City.
- Expansion of the scope of the e-permit process begun in 2005.
- The One Voice system, allowing three-way electronic communication between City, community and applicants.
- Implementation of a mobile laptop computer system for building inspectors.
- Implementation of electronic application and plan submissions.

The DOC strongly supports this technological advancement and the costs to implement it. The return on this investment will be significant in terms of efficiency and community support.

## **BEST PRACTICES**

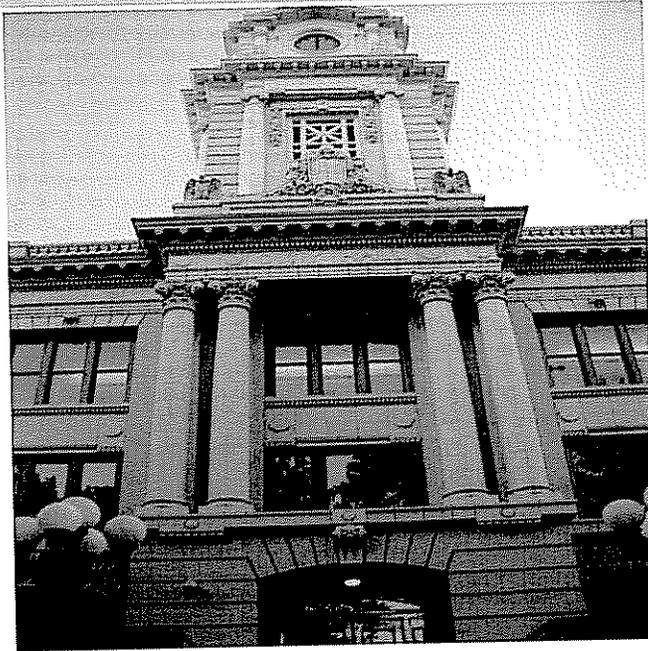
An annual DSD and DOC ritual seems to be the redefinition and redirection of the concept of "Best Practices" to fit the process changes of the previous year. The DOC-based working committee formed in 2005 to shepherd the Best Practices development has evolved into a department-based outreach program involving a broad range of supervisors working with the applicant public in a focus group discussion forum. The pre-application conference, heralded as 2005's important new Best Practices tool, has been assimilated into the MATRIX program's team approach. Finally, the 2005 vision of public outreach and education has changed its shape with advent of a wave of technological advancements.

The Best Practices program of 2006 will show off some new tools, including an expanded interactive electronic information site tailored to all levels of applicant sophistication and some novel face-to-face opportunities for the department customers to learn about the new processes.

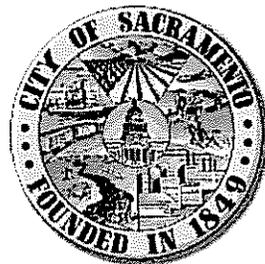
The DSD website is fast becoming a substitute for the old reference and forms library in the department lobby. For the novice applicant, there is detailed information and FAQ's (frequently asked questions) available 24 hours a day on the web that will answer all questions about the building permits and the review process so that they can be adequately prepared for a positive successful experience. The web information includes instructional videos and gives guidance on how to obtain additional help if necessary. For the experienced applicant, there is instructional information on the MATRIX program, and there will be specific seminar type video presentations available for self-education on the web.

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The DSD and DOC are committed to the importance of direct communication between City staff and the public as a means of streamlining the review process. There is still no better way for an applicant to start the process than to participate in a pre-application conference with the City staff. This is especially valuable in the traditional (non-MATRIX) process where many first-time customers get their first experience with the DSD. A new idea that is being rolled out in 2006 is the "Lunch and Learn" series. The DSD will host lunch hour seminars on a variety of topics aimed at familiarizing the community with the department's processes and providing a regular forum for questions and comments. These sessions will be video taped and made available on the DSD website along with all other instructional information. The first session covering the topic of "Building 101" was held in March of this year, and over 40 members of the public attended.



# PROMOTING AN APPROPRIATE REGULATORY ENVIRONMENT



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**PROMOTING AN APPROPRIATE REGULATORY ENVIRONMENT**

**OVERVIEW**

In 2005 the Development Services Department embarked on a strategic program of modernizing and developing consistency in the regulatory environment related to the development process. Particular success was achieved in the areas of fixing confusing and outdated code provisions and in making the building code appeals board and process more customer-friendly. 2006 heralds a continuation of these efforts in addition to some new challenges.

**REGULATORY OVERHAUL – ORDINANCE UPDATES**

The first phase of regulatory streamlining designed to make development decisions more predictable and fair culminated in the City Council approving several ordinance changes in June of 2005. The Development Services Department and DOC will continue to analyze current codes and regulations with the intent of bringing a second phase of proposed changes in 2006. The DOC fully supports this process and will monitor the department's efforts regularly.

**COMMON SENSE POLICY**

A longtime goal of the DOC has been the establishment of what was termed a "Common Sense Ordinance" which would be "a mechanism to reconcile disparities between broad vision and goals, and the day-to-day application of written rules". For legal reasons, it was deemed inappropriate to grant this concept ordinance status; however it is the position of the DOC that this common sense principle has value in department operations as an encouragement for staff to take a proactive approach to decision-making. Now termed a "Common Sense Policy" this concept will serve the staff as a source of empowerment for problem solving. Thus a proposed ordinance may now take the form of a cultural beacon.

**PROMOTING AN APPROPRIATE FEE STRUCTURE**

The current fee structure for development has two major shortcomings. First, it is quite complicated with separate fees collected by Planning, Building, Development Engineering, Parks and Recreation and other sub-departments – the antithesis of creating certainty for the DSD's customers. Second, with the added demands for staff and resources to expand DSD improvements, not enough money is being collected to fund all operations. No significant building fee increase has been instituted since 1998.

With the DOC's support and participation the Development Services Department is undertaking a critical analysis of the existing development-related fee structure with the goal of consolidating the various current fees into a more simplified and predictable charge that is appropriate to the new cost environment. This is no overnight process. There will be consideration of various revenue alternatives, comparisons to other jurisdictions and review by stakeholders before

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crafting the final concept to be brought to City Council. It is the department's goal to have these new fees in place during the current year. The DOC will provide support and advocacy to keep this effort on track.

**RESTRUCTURING BOARDS AND COMMISSIONS**

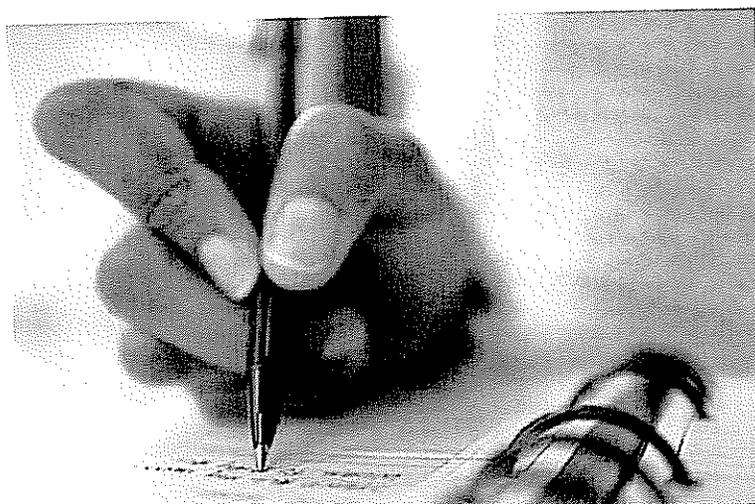
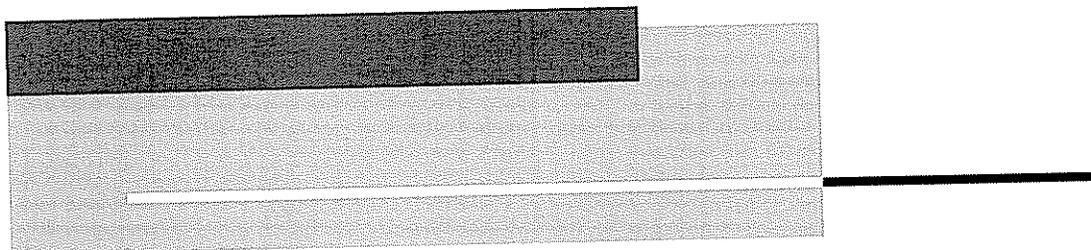
As discussed in other areas of this report, streamlining efforts initiated by the DOC should result in the completion of the separation of the Design Review and Preservation Boards in 2006. This separation will provide a much clearer and more predictable regulatory structure for development in the affected areas of the city.

**A LOGICAL PROGRESSION**

When the reorganization of the development review process started, the role of the City was "enforcer". As the new ideas took hold, there has been a gradual transfer of the City's role to facilitator, in support of "getting the customer to success". We benefit today from this evolution through process improvements, increased efficiencies and customer satisfaction.

The DOC supports the continuing concept of movement towards the City's ultimate goal of becoming a development "partner". We envision an innovative approach to this goal, including the creation of economic engines to support implementation of the City's vision for the future.

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# APPENDICES



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**APPENDIX 1: COMMON SENSE POLICY**

***What is it?***

The Common Sense Policy is seen as a tool for empowering staff. It can also serve as a positive message about the City and its organizational culture.

***Why do we need it?***

Having a Common Sense Policy is an initiative of The Mayor's Development Oversight Commission that was recommended in their last annual report to the City Council. The DOC states that from time to time conflicts arise between City visions, goals, and plans with established development standards and there does not exist a simple mechanism to reconcile the conflict. The original DOC proposal called for an ordinance that would vest broad discretionary authority to the DSD Director to resolve conflicts and produce the intended results. This approach raised legal concerns and has been modified with the assistance of the City Attorney's office.

Although the policy no longer contains language vesting broad discretionary authority to the Director, the DOC and Department still believes the proposed Common Sense policy has important value as a source for empowering staff and encouraging staff to take appropriate actions, be proactive, and to be problem solvers. The policy is also seen as an opportunity to send a positive message about the City's culture to the community and people and companies that are considering investing in Sacramento.

***What does it say?***

- Common sense is defined as sound practical judgment based on conventional wisdom and an individual's personal experience.
- This policy introduces common sense as a tool or resource that can and should be utilized by staff when appropriate.
- The City Council endorses the following Common Sense Policy to guide the application of discretion in decision making within the Development Services Department:

"In interpreting and applying the City's codes, ordinances, and conditions of approval regulating land use and development, the City's staff shall exercise appropriate discretion and common sense so as to achieve and carry out the goals and policies of the General Plan, applicable community plans, the Zoning Ordinance, and other land development policies, rules, and regulations while at the same time adhering to the mandates of the Council's legislative actions"

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**APPENDIX 2: CUSTOMER SERVICE WARRANTY**

**Customer Service Warranty**

***What is it?***

A Customer Service Warranty is a list of expectations outlined by our customers and agreed upon by City of Sacramento Development Services Department to be provided to customers at all stages of the development process.

***Why do we need it?***

Identifying what customers want and how they can expect to be treated during the development process will help staff become aware of the steps needed to achieve our goal of getting the customer to success during their encounter with the Development Services Department.

***What do we hope to accomplish by implementing it?***

The City of Sacramento Development Services Department Customer Service Warranty is a resource that prompts continual customer service awareness and demonstrates staff's commitment to achieving our operating principles and meeting our measures of success.

We, the City of Sacramento Development Services Department, agree that our customers have a right to:

1. Be treated professionally.
2. Convenient business hours.
3. Expect a clean and comfortable environment.
4. Internet access to applications, forms, project updates, etc.
5. Staff access in the form of pre-application and other communicative meetings.
6. Receive prompt, quality service whether at the public counter, in the field, via email, or telephone.
7. Receive consistent and timely comments during all stages of project review and construction.
8. Receive knowledgeable and accurate answers to questions asked of staff.
9. Receive clear instruction from staff as to the development process, fees, staff expectations, meeting code and project criteria and avoiding pitfalls.
10. Provide quality service to all customers from individual home and business owners, to large and small developers.
11. Expect final plans and permit issuance to serve as the controlling construction documents.
12. Warranty against overriding approvals during the construction process with the exception of the discovery of a serious life safety issue or a modification to the project instigated by the applicant.

**APPENDIX 3: MISSION, VISION AND GOALS**

***City Council's Vision Statement***  
*(where we want to be as a city)*

**City of Sacramento Will Be The Most Livable City in America**

\*\*\*\*\*

***Development Services Mission***  
*(the "business" we're in to accomplish the City's vision)*

**We Help Build A Great City**

\*\*\*\*\*

**Operating Principles**  
*(what we stand for and believe in)*

- 1. Get the Customer to Success**
- 2. Promote Safety, Livability, and Economic Vitality**
- 3. Value Our Co-Workers and Customers**

\*\*\*\*\*

**Measures of Success**  
*(how we'll measure our success)*

**Put in place a development review process that is:**

- 1. Predictable**
- 2. Timely**
- 3. Clear**
- 4. Seamless**
- 5. A Model For Other Cities**

\*\*\*\*\*

**Four Strategic Areas**  
*(how we'll get there)*

- 1. Improving the Organization Structure**
- 2. Continuing the Cultural Change of the Department**
- 3. Streamlining the Process**
- 4. Promoting an Appropriate Regulatory Environment**

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**APPENDIX 4: FOCUS GROUP EVALUATIONS AND DATA**

**Development Community Partnership Meeting  
September 29, 2005**

**1. What worked well today?**

- The lunch
- The discussion
- Good opportunity for feedback. This type of working partnership needs to filter below the top 2-3 dept heads
- Open for style
- Lots of good ideas exchanged
- Good agenda
- Communications: give & take
- Time management
- Group was engaged and passionate for authoring change
- Open discussion- should be more often
- Interaction between developers, engineers, arch/staff is enlightening & does provide positive feedback to all
- The interaction between people
- Open dialog-good cross section of attendees
- Informal discussion
- Good honest dialog
- Format was done well
- The open communication with city staff and development community
- The size of the group- the group is not too small or too large. Everyone has an opportunity to speak
- Great feedback from staff and development community
- Meeting well run & well organized
- Flowed according to agenda

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**2. How confident are you that the City is on the right track with its plans for further improving Development Services? Please rate on the following scale:**

1 \_\_\_ 2 \_\_\_ 3 \_\_\_ 4 \_\_\_ 5 \_\_\_ 6 \_\_\_ 7 \_\_\_ 8 \_\_\_ 9 \_\_\_ 10 \_\_\_  
 No way... Hooray!

Ranking	Number Submitted
1	0
2	0
3	0
4	1
5	0
6	0
7	1
8	7
9	3
10	2

**Weighted average: 8.14**

**3. Why did you mark it where you did?**

- Lack of positive interaction
- Building Permit/dept and Planning has bought into this new way of thinking. Need DOU, DOT, improvement plan (Civil infrastructure) and map check to buy in and implement
- The ideas are very positive, however the time table for implementation is too long
- Making good progress so far
- I see progress on positive change!
- I respect the leadership and their integrity. They shoot straight.
- Not afraid to take on new responsibility- good leadership!
- I have faith it can only get better!
- We have had positive experiences with Planning during recent special use permit processes and have found Staff more easily making decisions
- The City is on the right track- it's a function of time to complete improvement
- Can see actual changes happening
- Progress is real and fast
- Seen lots of progress to date
- Leadership making great strides
- Lower levels starting to get it as well
- Top level clearly understands how to manage & organize to effect a positive change and is taking action. I'm confident the system is moving in right direction, would like to see staff moving toward changes quicker at entitlement level

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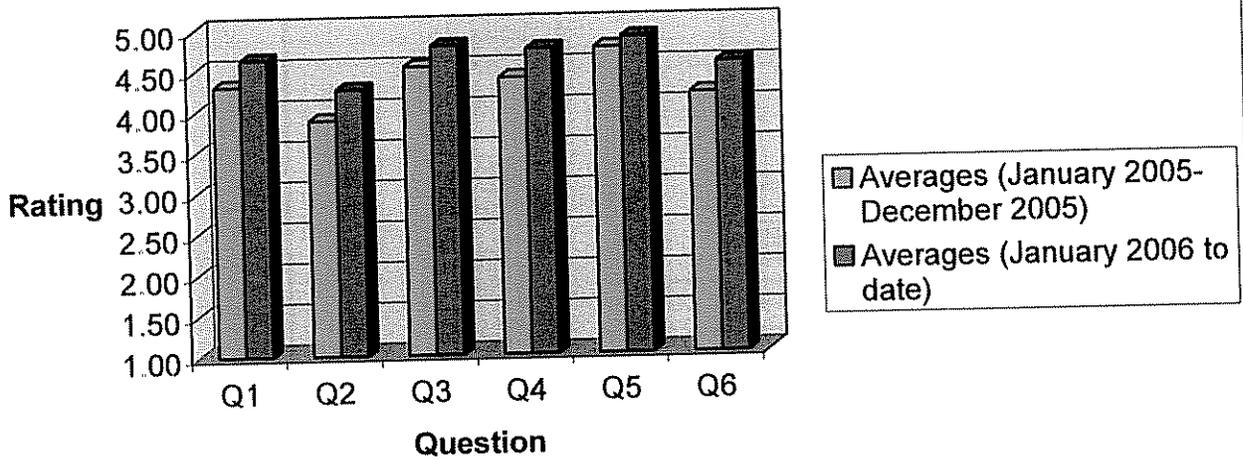
**4. What ideas do you have for what we need to do to get or stay on track?**

- Meet more often, hard number data versus percentages
- Include DOU, DOT and Parks in this program
- Have project completion debrief to find out what worked, what did not
- Focus on brining in the depts. That are more autonomous- SHRA, SMUD, Fire, Preservation
- Session on improving environmental review process
- Identify potential policy issues early on as part of pre-app process
- Strongly endorse the need to look at the inclusionary housing ordinances and implementation of link with City, SHRA, and Building
- More time to discuss problems, not so much solutions. But look for consensus
- Regular updates/mtgs.
- I would like to meet every 3 months
- Continue meetings like this
- Keep engaging the development, design & neighborhood groups & entities
- Keep pushing staff to incorporate "getting the customer to success"
- You are going in the right direction
- Meet once a quarter
- Process management implementation form(s) starting at pre-app meeting. There needs to be a standardized format for communication & feedback from MATRIX team to development/design team

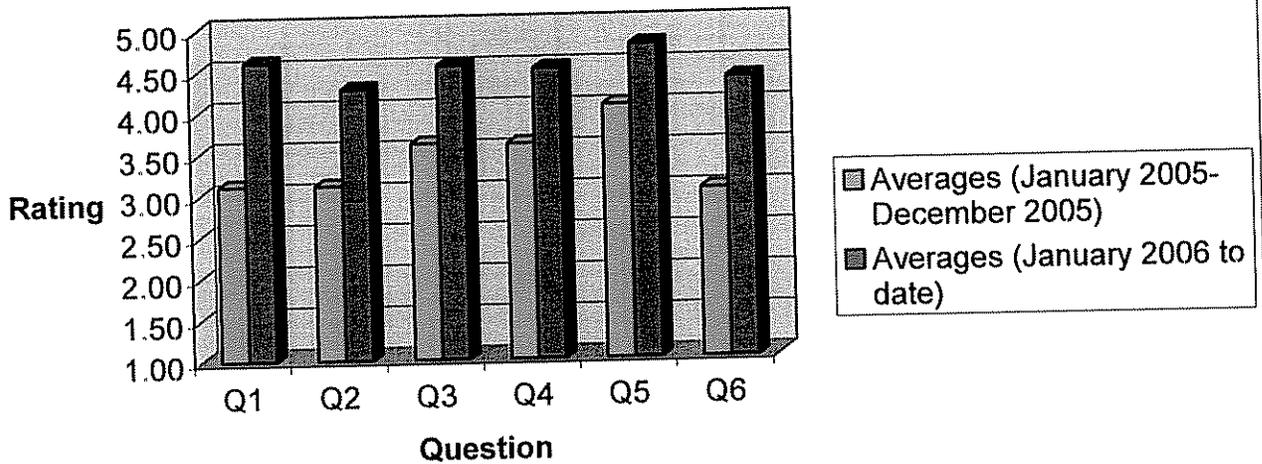
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APPENDIX 5: CUSTOMER COMMENT FORM DATA

North Permit Center Customer Comment Form Data

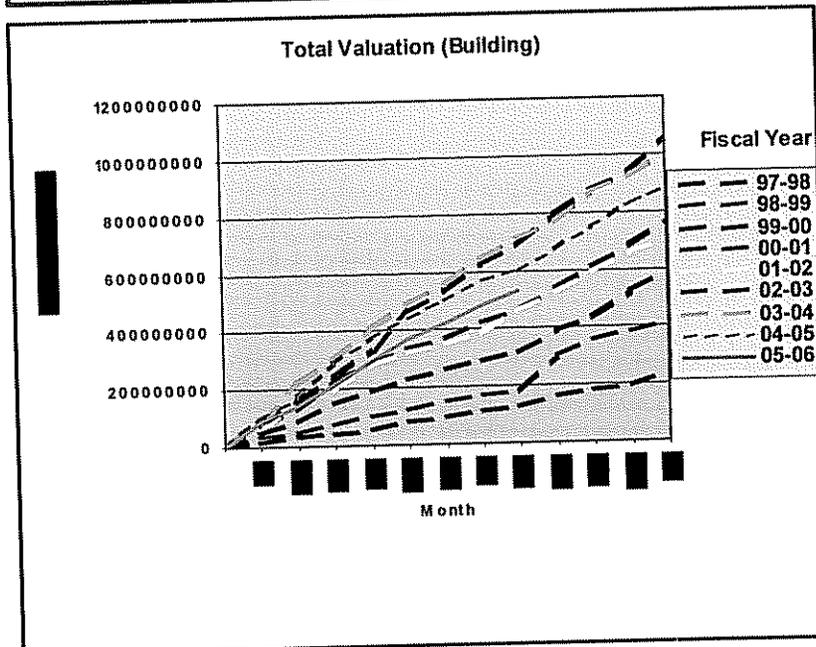
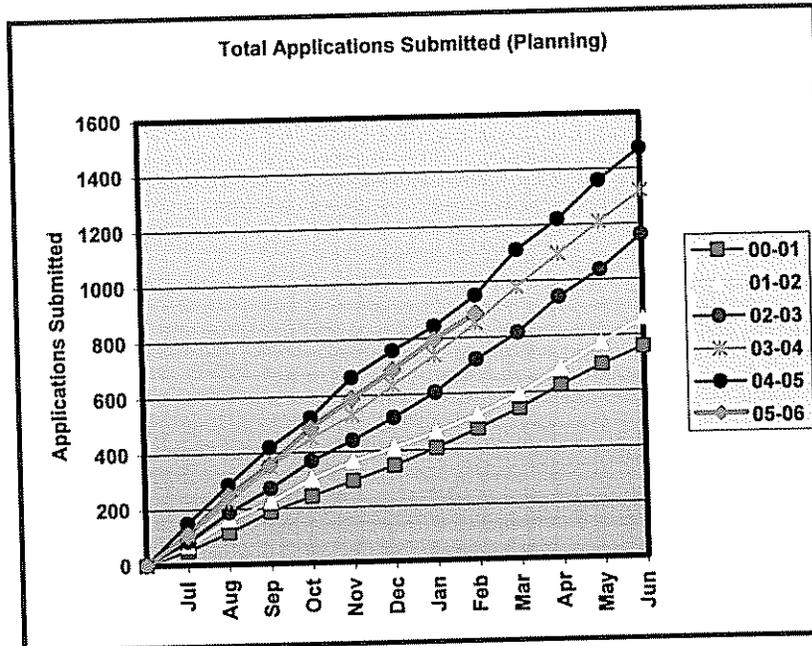


Downtown Permit Center Customer Comment Form Data

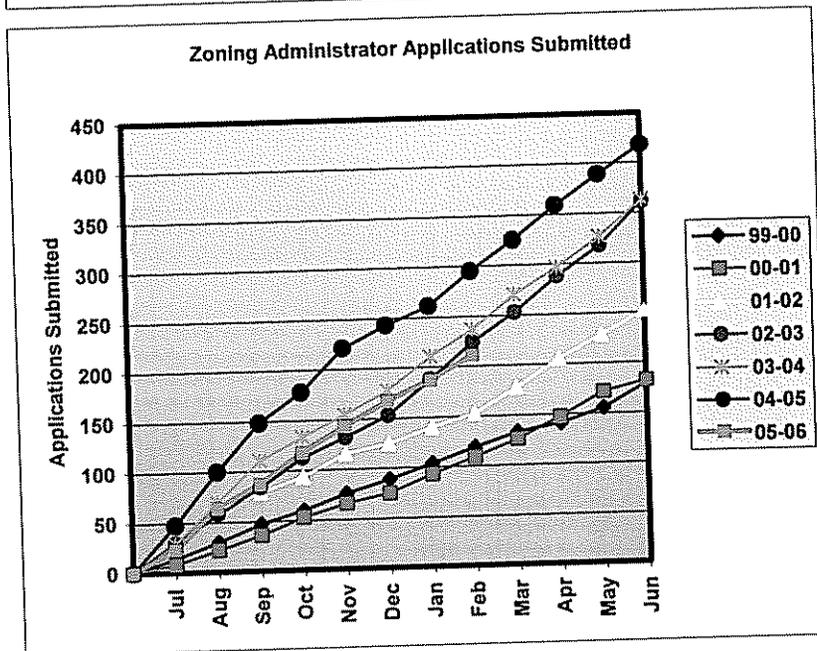
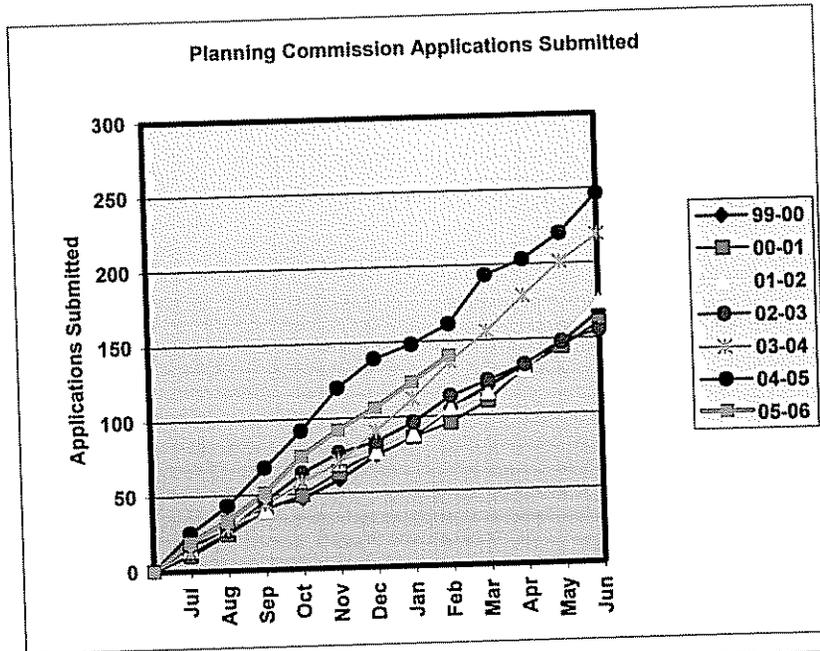


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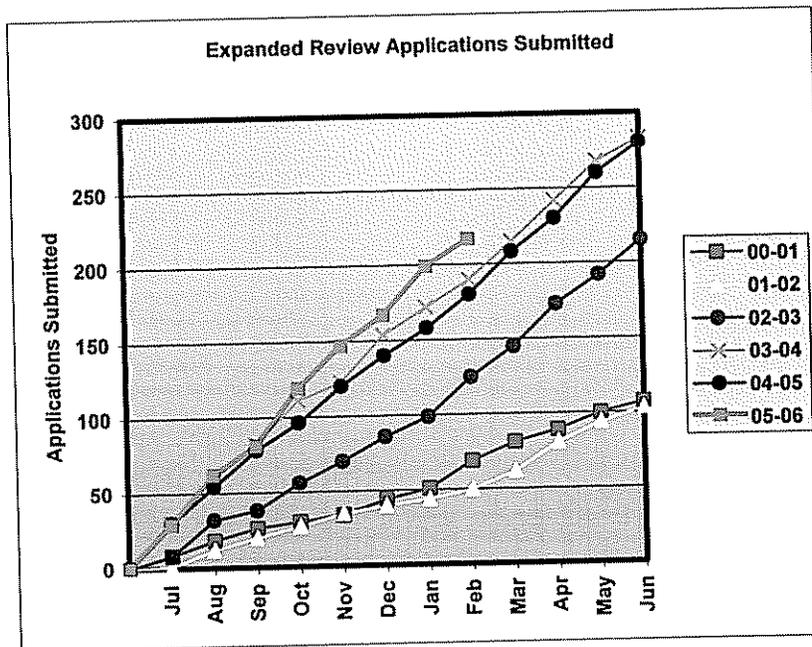
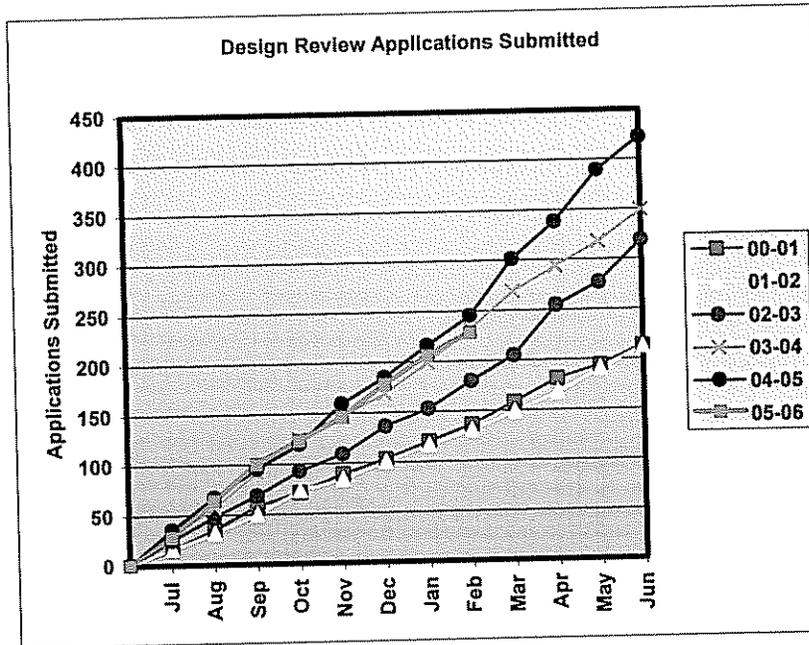
APPENDIX 6: DEPARTMENT WORKLOAD STATISTICS



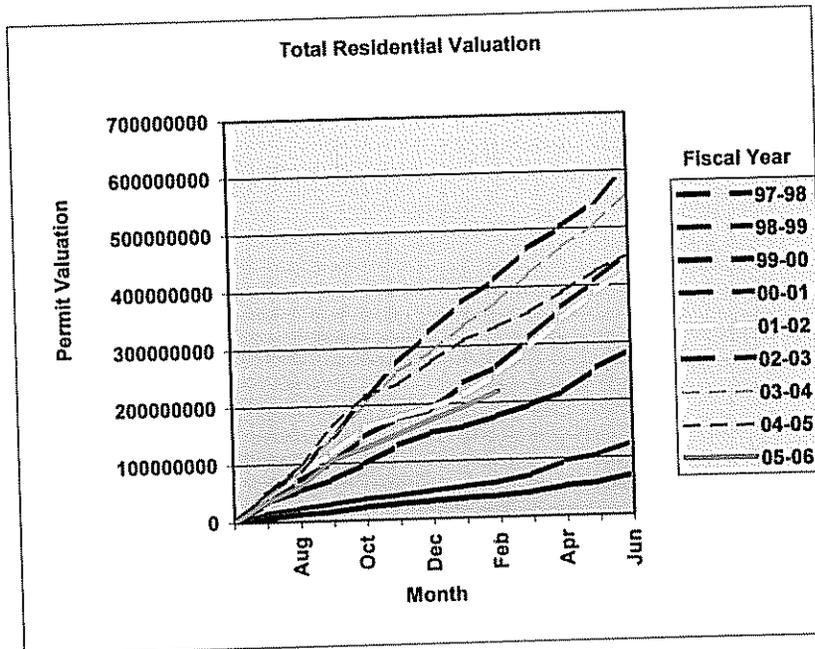
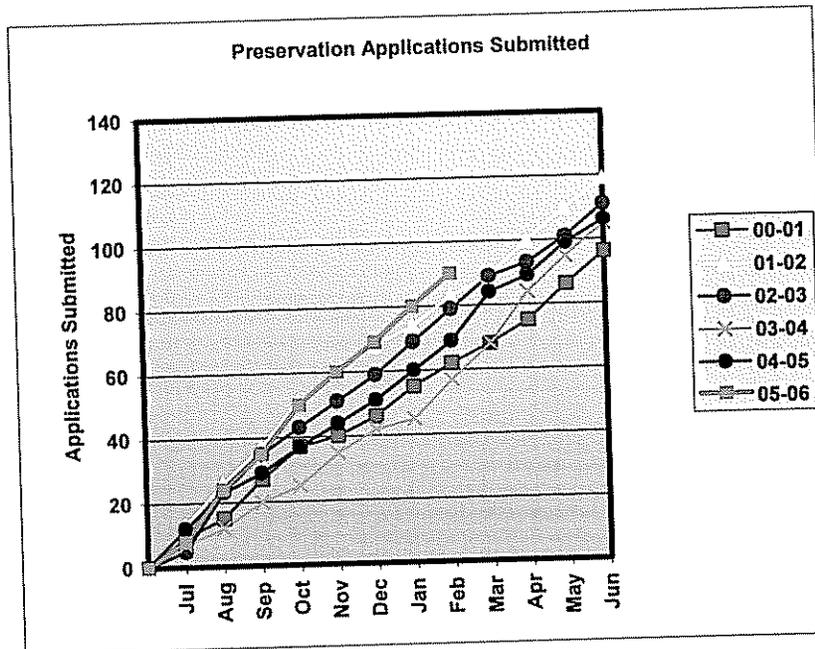
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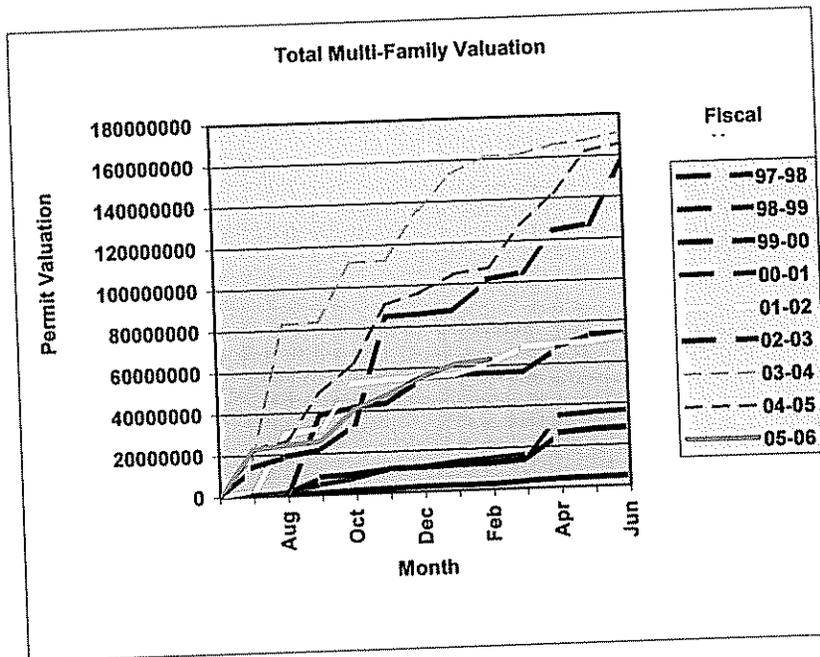
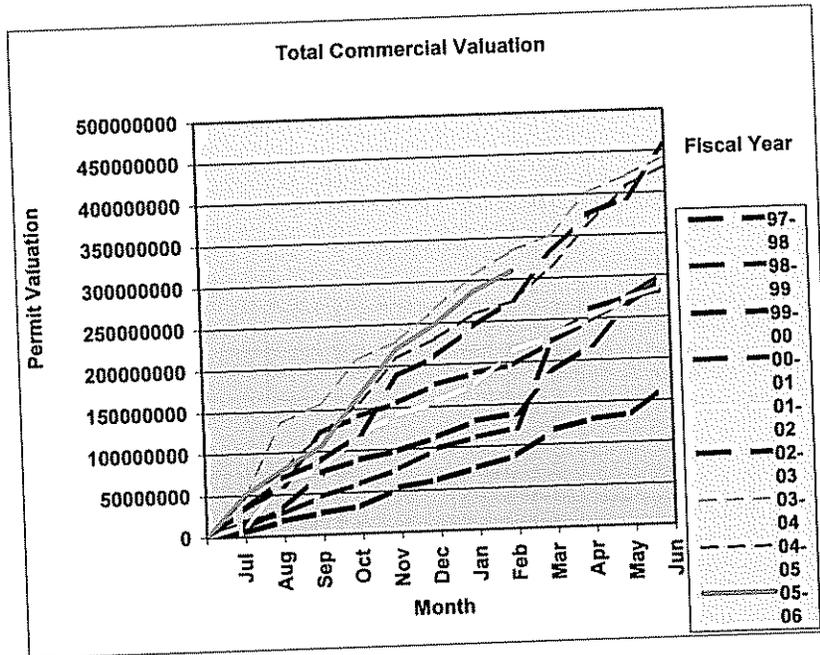
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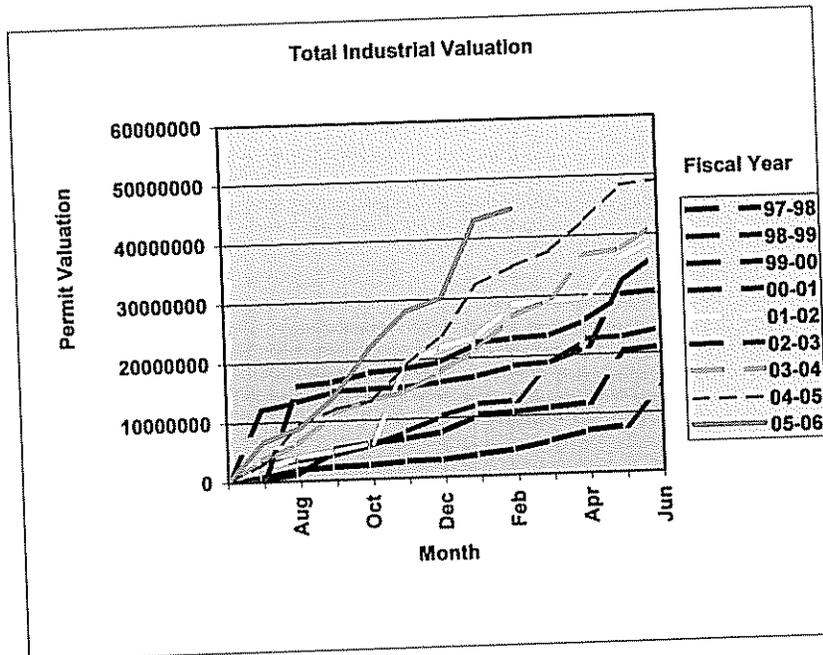
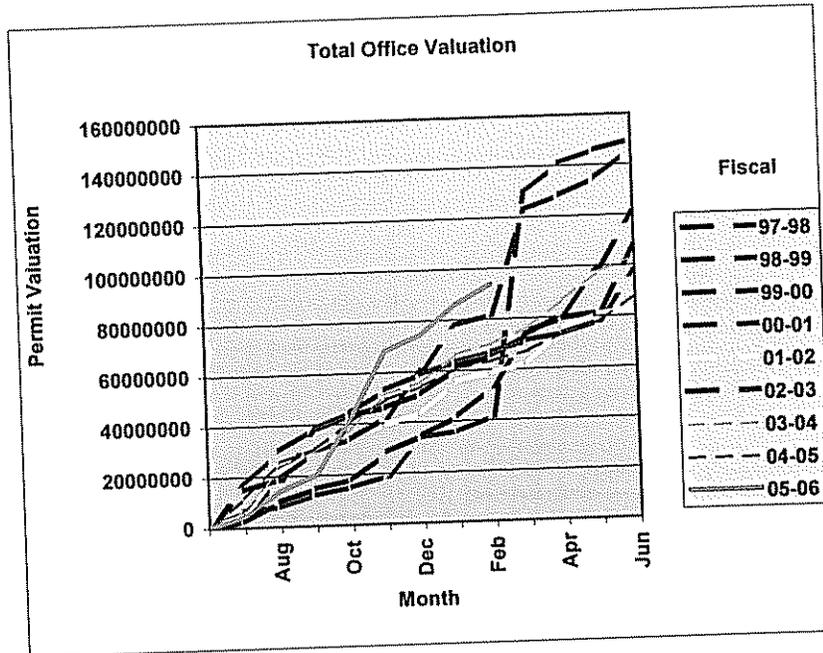
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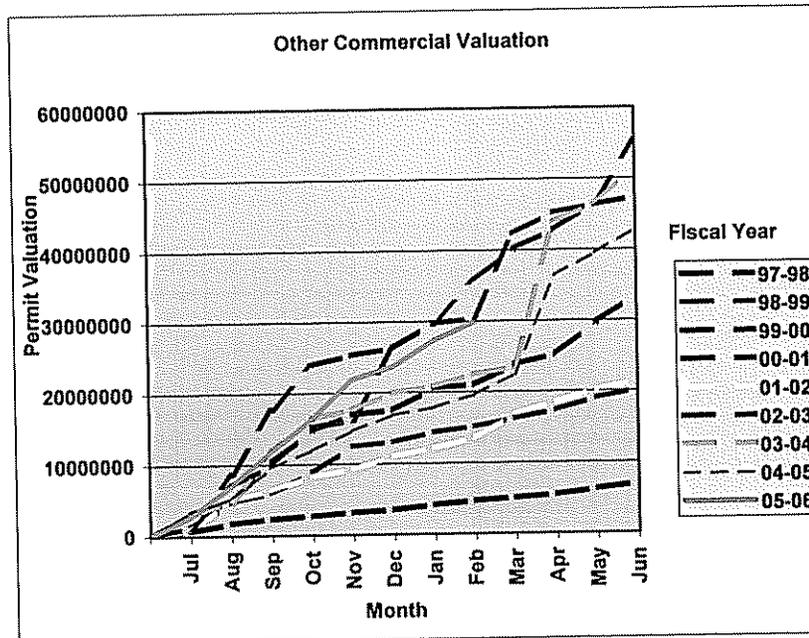
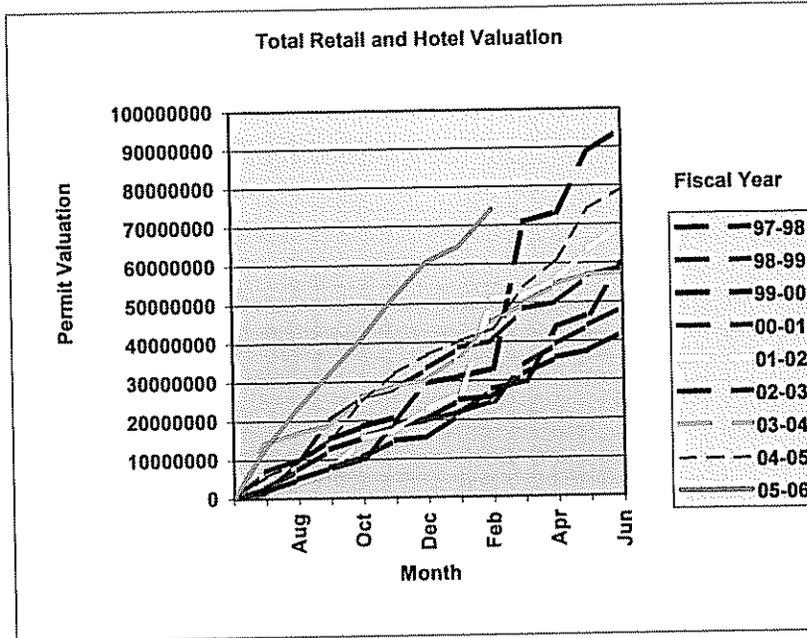
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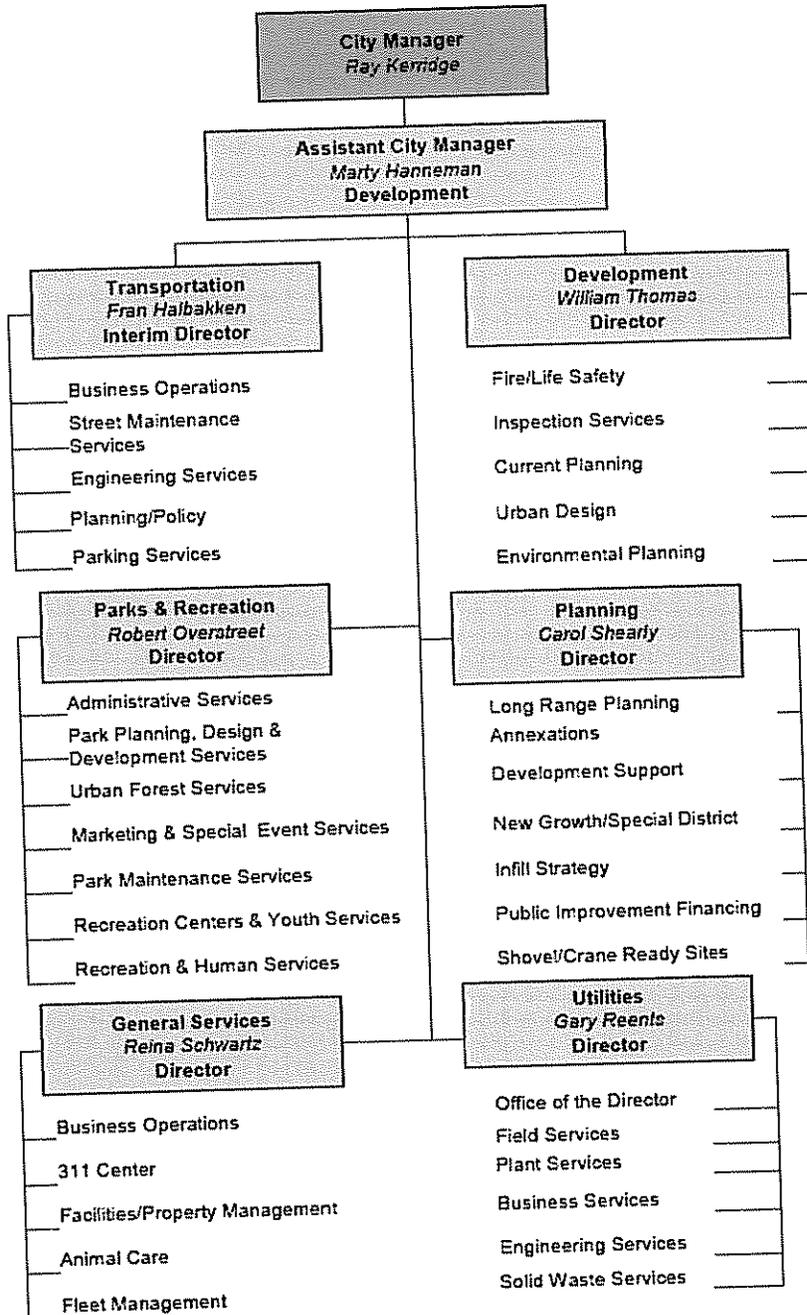


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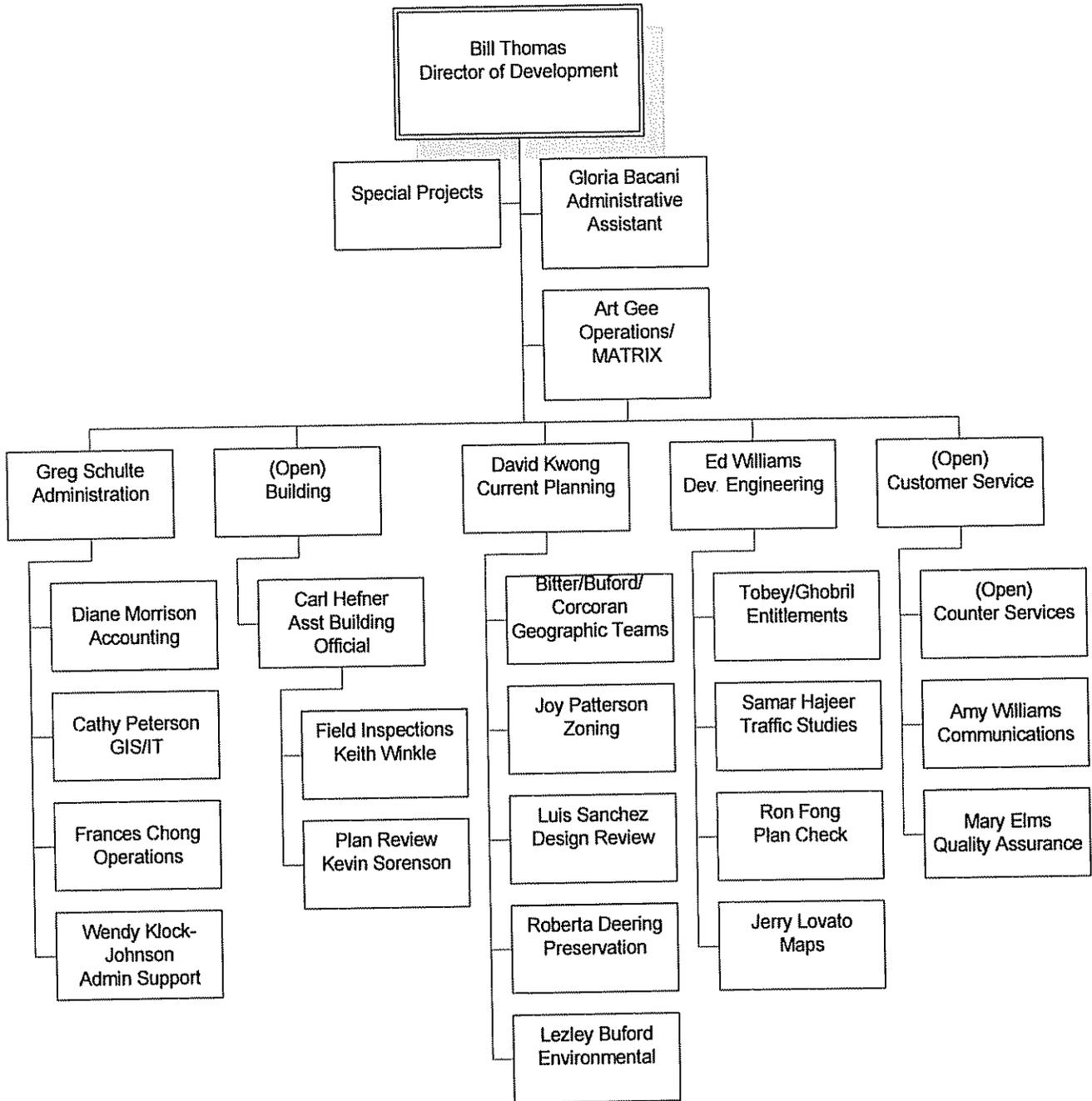


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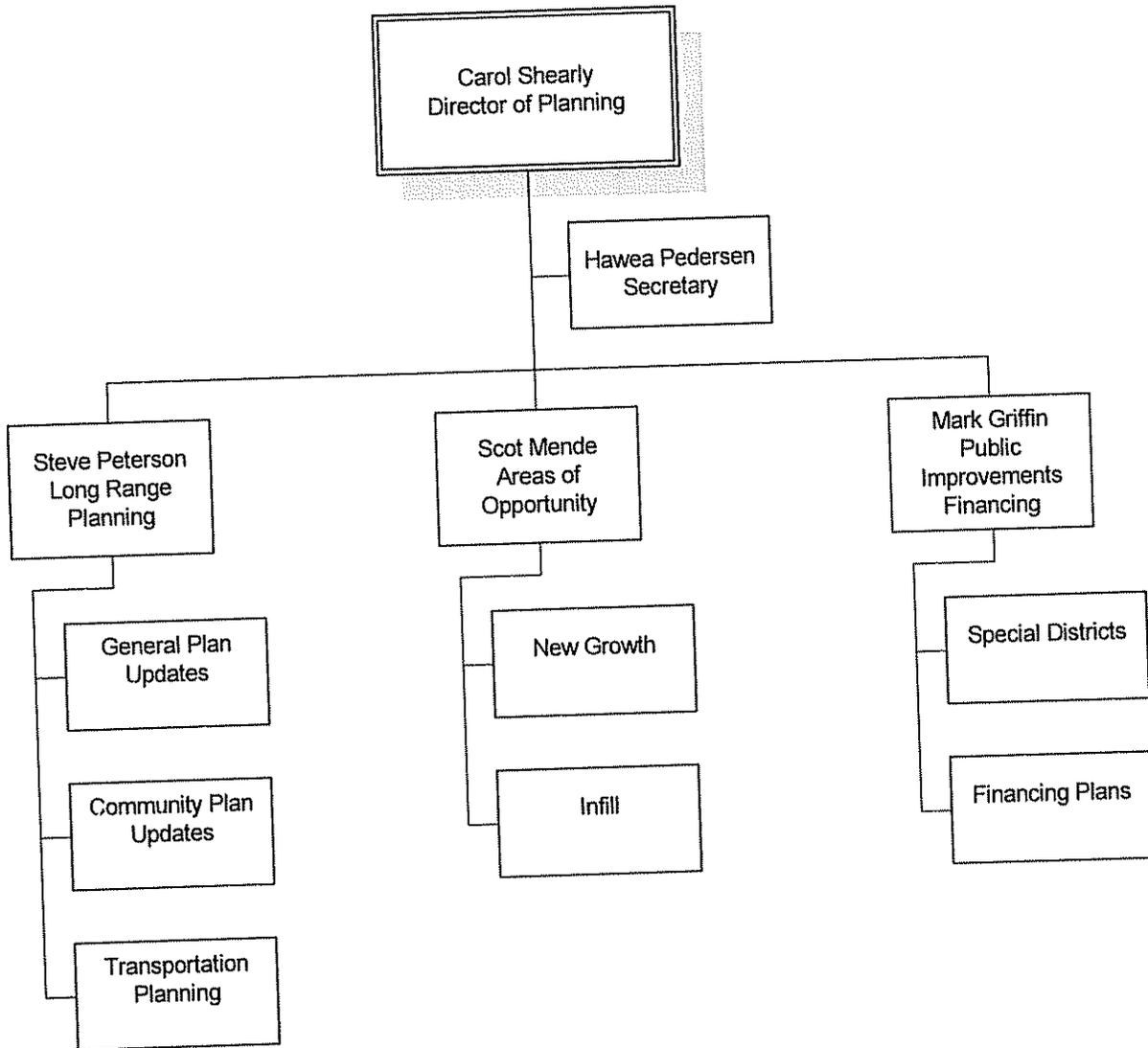
APPENDIX 7: ORGANIZATIONAL CHARTS



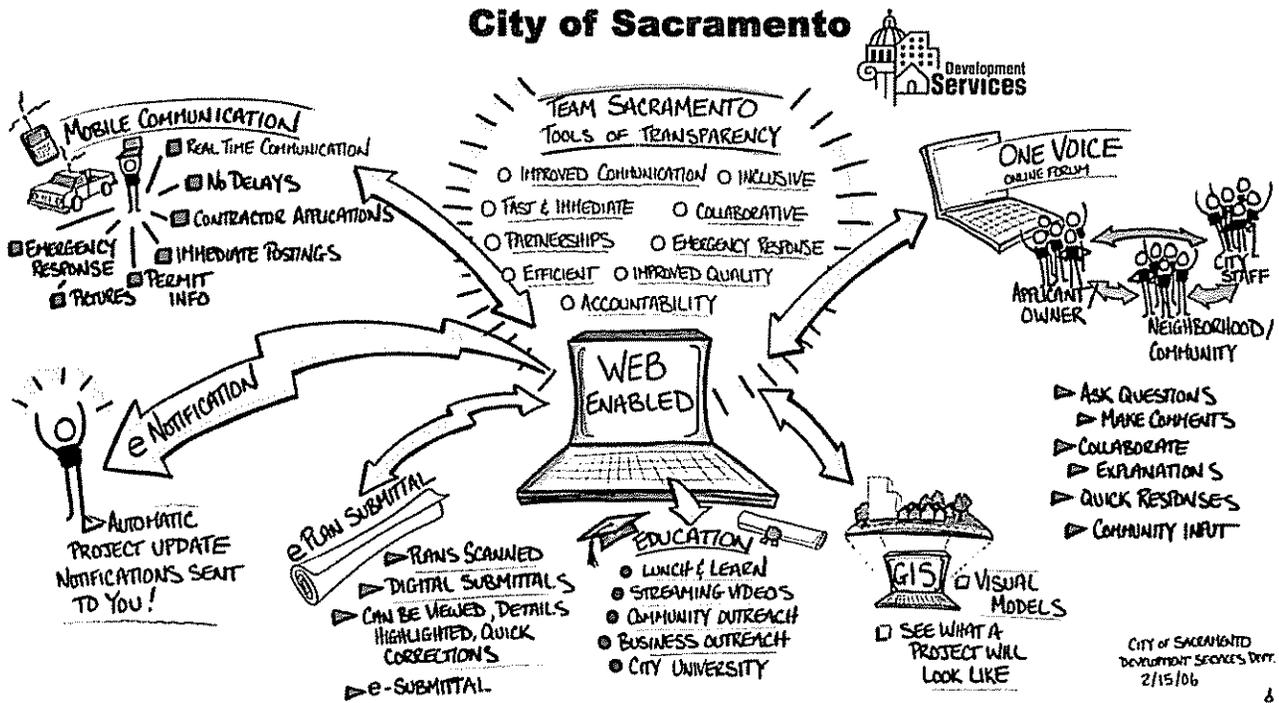
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APPENDIX 8: TEAM SACRAMENTO TOOLS OF TRANSPARENCY



APPENDIX 9: THE MATRIX

City of Sacramento

