



KITSAP COUNTY DEPARTMENT OF COMMUNITY DEVELOPMENT

614 DIVISION STREET MS-36, PORT ORCHARD WASHINGTON 98366-4682
(360) 337-7181 FAX (360) 337-4925 HOME PAGE - www.kitsapgov.com/dcd/

Larry Keeton, Director

January 18, 2010

TO: Board of Commissioners
County Administrator

FM: Director, Community Development

RE: Department of Community Development 2009 Annual Report

Since 2007, the Department has been monitoring performance of its activities and annually reports its previous year's measurements to the Board and the public. This is the third such report.

Purpose: Provide Citizens, the Board of County Commissioners, Stakeholders and Interested Parties an annual report on the activities of Kitsap County's Department of Community Development for the year 2009.

Department's Mission: Enable the development of quality, affordable, structurally safe, and environmentally sound communities.

Economic Conditions: With the economic crisis worsening in 2008 and the banks' unwillingness to give credit and construction loans, departmental revenues continued to plummet despite the permit application submissions being reduced by only 21%. However, associated revenues fell by 34% indicating that a different type of permit activity was occurring. While single family residents had been the staple of the department's revenue in previous years, the new activity focused on remodels and in later 2009, the construction of 1800 square foot and smaller houses. In previous years, the majority of homes were in the 2000 square foot and larger category.

Staff Reductions: In 2008, the Department began with 87 full time equivalent positions. Due to reductions in force (RIFs) and not filling vacancies, the Department began 2009 with 64 full time equivalent positions. In February 2009, the department conducted another RIF of one position. In May 2009, due to continued revenue shortfalls, the department was forced to take a 20 percent reduction in staff hours in lieu of conducting another RIF. The reduction in hours coupled with the physical loss of personnel equates to a total staff reduction of 41% from the original 87 people. As will be demonstrated, this reduction in staff has impacted overall service delivery by the department.

Department Accomplishments: Despite reductions, staff has maintained a "reasonable" level of service.

- Implemented over \$117,000 in cost savings programs by using an online credit card system, replaced inspector notebooks with Netbooks, upgraded copy equipment with more cost efficient copiers, and fully implemented post card noticing.
- Completed a full scale fee analysis of land use and building permit application fees which resulted in minimal testimony during the fee adoption process.
- The 2008 comprehensive plan was not appealed to the Growth Management Hearings Board, the second year in a row in which County did not have to defend its comprehensive plan thus saving staff time.
- Completed the Hansville Community Plan culminating a multi-year effort on the part of the community and department.

- Completed site specifics which resulted in identifying other issues that need to be addressed in the County's comprehensive plan.
- Continued to reduce the amount of outstanding impact fees due to the county through the permit center process.
- Implemented a streamlined process to identify and address outstanding issues relating to finalized and near finalized building permits.
- Continued to cleanse the Land Information System (LIS) of erroneous permit data and closing old permits, thus making the database more accurate and current.
- Successfully obtained an U.S. Environmental Protection Agency grant of \$657,000 to assist in developing alternative futures as related to watershed and land use planning.
- Successfully obtained phase two funding of \$707,000 for the Chico Creek restoration project with construction to be done in 2010.
- Began the Shoreline Master Plan update effort by securing a \$650,000 Ecology grant to fund the effort over the next three years.
- Implemented a code compliance tracking system to monitor staff effort and progress in achieving case closures. Resulted in closing 1,176 cases while only initiating 879, the first time since 2005 that more cases were closed than opened.
- Maintained program metrics in fire review of fire related permit applications and inspections despite staffing shortfalls.
- Revised the storm water manual to meet the NPDES Phase II requirements.
- Assimilated the building division into development engineering and gained efficiencies in using development engineering staff to conduct appropriate plan reviews and inspections.

Permit/Land Use Application Statistics

Submitted to Approved/Issue Ratio

The following table shows the ratio between the numbers of permits submitted during a calendar year compared to the number of permits approved/issued during the same calendar year. The Department's objective is to achieve a minimum of 85% ratio between submitted to issue within a given year. Approved permits are those that have finished department processing and ready for pick up by the application, while issued are those permits in the client's possession.

As the following table shows, the reduction of staff has impacted our ability to approve/issue permits. The building department and engineering was the hardest hit with the reductions which is reflected in their statistics. Services such as pre-review of building plans prior to submittal, which started in mid-2007 were eliminated when the department was downsized for one plans reviewer. Additionally, engineering has lost personnel due to a RIF and military leave which has hampered their ability to do project review. Additionally, engineering staff had been diverted to significant preparation of a new storm water code and manual which precluded them from conducting reviews.

Submitted to Issued Ratio

Permit Division	2006	2007	2008	2009
Building	86%	91%	96%	76%
Fire Marshal	90%	93%	104%	97%
Engineering	85%	90%	86%	52%
Environmental Review	62%	60%	55%	59%
Land Use	42%	42%	57%	60%
Total Permits Submitted	4858	4772	3794	2990
Total Permits Issued	4017	4151	3205	2154
Total Submitted to Issued Ratio	83%	87%	89%	72%

Permit/Land Use Application Meeting Objective Processing Times

The Department has identified eight permit types to track performance: automatic fire extinguisher systems, fire alarm and detection systems, commercial tenant improvements, conditional use permits requiring hearing examiner approval, single family residences with garage, preliminary plat approvals, site development activity permit – commercial, and site development activity permit – residence. Appendix A is a detailed breakdown of these permit types identifying the number issued, the average processing days as compared to their objective processing times, and the percentage of permits that met the processing times.

In these eight permit types, it is interesting to note that the Department has maintained, for the most part, a better level of performance than it did in 2007, which these measures were implemented. This can be attributed to the professionalism of the staff, but also to code modifications in 2008, i.e. conditional use permits.

Permit Type	Objective Processing Time	2006	2007	2008	2009
Auto Fire Extinguish System	10/30 Days	0%/39%	19%/84%	49%/97%	41%/100%
Fire Alarm & Detect System	10/30 Days	10%/59%	13%/54%	70%/96%	60%/95%
Comm Tenant Improvement	30 Days	64%	62%	79%	72%
Conditional Use Permit	106 Days	0%	0%	8%	16%
Single Family Residence	14/20 Days	30%/57%	45%/69%	49%/77%	41%/61%
Preliminary Plats	106 Days	0%	24%	0%	0%
Site Development Activity Permit – Commercial	106 Days	11%	0%	5%	9%
Site Development Activity Permit SFR	106 Days	23%	14%	44%	0%

Submitted to Notice of Decision/Approval Processing Time

The Department began tracking land use, environmental, and engineering applications based on submitted to notice of decision/approval. This analysis shows the average amount of time it took for an application submitted in a given year to receive either a hearing examiner decision or departmental approval. The time reflects the total time the application took, meaning that it includes the time within the Department and the time that the application was returned to the applicant for corrections, submitting additional information, etc. Appendix A gives a detailed breakdown of these application types. The table below is a sample of key applications and their processing times.

The numbers are not good. Many of the projects have been in the department for years and they've finally been completed. A major effort is underway to understand why these have taken so long and what we can do to preclude this in the future. While staff processing is an issue, it also appears that our permit system continues to add days despite the project is on a stop clock. This could account for some days, but in reviewing the project list, several went back to 2004 – 2005.

Application Type	Objective Processing Time	2006	2007	2008	2009
Administrative Conditional Use Permit	78 Days	453	271	135	263
Conditional Use Permit	106 Days	251	234	173	780
Preliminary Plat	106 Days	489	356	145	129
Commercial Shoreline Substantial Develop Permit	106 Days	177	205	93	113
Residential Shoreline Substantial Development Permit	106 Days	263	334	236	397
Critical Area Buffer Reduction	106 Days	144	159	101	281
Site Development Activity Permit – Commercial	106 Days	281	292	119	1218
Site Development Activity Permit – Grading	106 Days	173	179	64	484
Site Development Activity Permit – Land Use Subdivision	106 Days	421	333	197	1316

Inspections

Critical to the Department’s mission is the role of building/site inspections. These are the actual eyes-on individuals who ensure that the building and site plans are actually constructed per the approved plans and the building/fire and site development codes. As the table shows, 17,411 inspections were conducted in 2009, for a daily average of 73.

Staff reductions in hours and personnel have significantly impacted the inspection process. Though technology and outside normal hours inspection programs have been used, the average wait time for an inspection is 7 days.

Inspection Activity	2006	2007	2008	2009
Number of Building Inspections Conducted	25,059	24,913	21,247	17,411
Average Number of Daily Inspections	101.04	100.46	85.67	73
Daily Roll Over Average	Not Measured	8	4	6

Code Compliance

As the following table demonstrates, new cases are declining. Closure rates decreased due to loss of staff and reduction of hours. Of significance is that code compliance closed 1176 cases, the first time since 2005 that more cases were closed in a given year than opened.

Code Compliance	2006	2007	2008	2009
New Cases	1454	1247	985	891
% Cases Close within 1 year	57%	68%	68%	59%
Average Days to Close a Case	27	19	20	50

NOTE: The 2009 data used for code compliance reporting is statistically more accurate than prior years.

Department Budget

The Department, in its second year as a Special Revenue Fund, faced significant financial challenges due to the economic conditions. Overall, permit/land use application activity dropped by 21% in 2008, with the Department's major source of fee income, single family residences, declining 43%. The preliminary year end position is expected to result in a \$700,000 shortfall.

Revenues:	\$5,900,000
Expenditures:	\$6,600,000
Shortfall:	\$ 700,000

The revenue shortfall was covered by using the \$798,525 fund balance established at the beginning of 2008 and an additional loan of \$550,000 from the General Fund at the end of 2009. The total loan amount from the General Fund is now \$1.15 million but is being reviewed to determine if that should be reduced. It was discovered in 2009 that much of the workload the department was doing was from previous years where fees had been paid, but had not been reimbursed to the Department when it became a special revenue fund.

Director's Assessment:

2009 was an extremely challenging year for the Department's staff. While the potential for the loss of wages could have resulted in a far greater decline in productivity, the reality is that what was accomplished was probably the best that could be done given the circumstances. However, we all recognize the period of grieving salary losses is over and the leadership team and staff are committed to once again taking up the improvement process that lagged last year.

Despite the reduction of services, the Department continued to have the support of the Commissioners and the development and building community. This continued support demonstrates that we're heading in the right direction, but hit a stumbling block.

The continued cleaning up of the Land Information System database assists in providing accurate data from which to measure results. We will continue this effort in 2010.

Our focus on code revision is to eliminate roadblocks and enhance processing times. This major effort is consistent with the Commissioners' work plan for the department. While code is to be revised, we also need to review our applications to determine if we are obtaining the right information in such a manner that allows for improved processing. Additionally, we are revising our interaction process with applicants to engage them earlier in the process than currently.

Finally, a concern that arises is the future of the economy and the department's ability to continue if required to reduce more staff. It is recognized that there is no additional funding available from the General Fund. If we're unable to generate the budgeted revenue projections additional reductions in force are necessary. Internally, we've begun discussing what functions should be considered core and which are best suited to be handled by others and still meet our mission requirements.

Performance Measures ~ As of 12/31/2009
2009 Data is from January 1 ~ December 31, 2009

Submitted to Approved/Issued Ratio	2006	2007	2008	2009
Permit Division				
Building	86%	91%	96%	76%
Fire Marshal	90%	93%	104%	97%
Engineering	85%	90%	86%	52%
Environmental Review	62%	60%	55%	59%
Land Use	42%	42%	57%	60%
Total Permits Submitted	4858	4772	3794	2990
Total Permits Issued	4017	4151	3205	2154
Total Submitted to Issued Ratio	83%	87%	84%	72%

Note: 68 permits were approved but not picked up in 2009

Permit Type	Automatic Fire Extinguishing System			
	10/30 Days			
Objective Processing Time	2006	2007	2008	2009
Year				
Issued	47	43	49	29
Average Processing Time~Days	38.8	17.7	13.1	10.3
% Met Objective Target	0%/39%	19%/84%	49%/97%	41%/100%

Permit Type	Fire Alarm and Detection System			
	10/30 Days			
Objective Processing Time	2006	2007	2008	2009
Year				
Issued	60	52	64	45
Average Processing Time~Days	34	54	9	10.9
% Met Objective Target	10%/59	13%/54%	70%/96%	60%/96%

Permit Type	Commercial Tenant Improvements			
Objective Processing Time	30 Days			
Year/Quarter	2006	2007	2008	2009
Issued	74	104	128	126
Average Processing Time~Days	27.5	33.1	25	24.2
% Met Objective Target	64%	62%	79%	72%

Permit Type	Conditional Use Permits (Hearing Examiner)			
Objective Processing Time	106 Days			
Year/Quarter	2006	2007	2008	2009
Issued	8	13	13	16
Average Processing Time~Days	Insuff Data	329.6	315	780
% Met Objective Target	0%	0%	8%	0%

Permit Type	Single Family Residence with Garage			
Objective Processing Time	14/30 Days			
Year/Quarter	2006	2007	2008	2009
Issued	601	677	401	259
Average Processing Time~Days	38.2	35.4	25.5	25.3
% Met Objective Target	30%/57%	45%/69%	49%/77%	42%/52%

Permit Type	Preliminary Plats			
Objective Processing Time	106 Days			
Year/Quarter	2006	2007	2008	2009
Issued	6	17	9	8
Average Processing Time~Days	Insuff Data	443.8	502	954.5
% Met Objective Target	0%	24%	0%	12%

Permit Type
Objective Processing Time

Site Development Activity Permit ~ Commercial

106 Days

Year/Quarter	2006	2007	2008	2009
Issued	19	14	17	7
Average Processing Time~Days	221.3	190.3	283	151.4
% Met Objective Target	11%	0%	5%	0%

Permit Type
Objective Processing Time

Site Development Activity Permit - Residential

106 Days

Year/Quarter	2006	2007	2008	2009
Issued	47	56	36	23
Average Processing Time~Days	93.2	186.8	151.2	116
% Met Objective Target	23%	13%	44%	53%

Inspection Activity

Number of Conducted Building Inspections	25,059	24,913	21,247	17,411
Average Daily Inspections	101.04	100.46	85.67	1,241
Daily Roll Over average	Not Measured	8	4	6

Land Use Review Times (Submitted to Notice of Decision)

Processing Time

Permit Type	Objective	2006	2007	2008	2009
Administrative Conditional Use Permit	78 Days	453	271	135	263.5
Condition Use Permit	106 Days	251	234	173	780
Zoning Variance (HE Variance)	106 Days	144	246	207	164.5
Home Business	78 Days	173	165	128	722
Large Lot Plat	106 Days	364	280	159	358.25
Short Plat	106 Days	341	232	163	530.7
Preliminary Plat	106 Days	489	356	145	954.5
Performance Based Development	106 Days		246	193	609.8

Notes:

1 ~ Data is total time from submittal to notice of decision; clock stop (time in applicant's hands) not subtracted. 2 ~ Title 17 "Use Table" processes and permit types changed in Dec 2006 with adoption of Comprehensive Plan. 3 ~ HE Variances (HE) have been filtered to exclude Critical Area Variances (CVAR). Data reflects clean-up of Old Permits.

Environmental Review Times (Submitted to Notice of Decision)

Permit Type	Processing Time				
	Objective	2006	2007	2008	2009
Commercial Shoreline Substantial Development Permit	106 Days	177	205	93	870
Residential Shoreline Substantial Development Permit	106 Days	263	334	236	623.6
Critical Area Buffer Reduction	106 Days	144	159	101	281
Hearing Examiner Variance	106 Days	184	214	140	164.5
Director's Variance	106 Days	368	133	None Submitted	61
Shoreline Conditional Permit	106 Days	370	218	92	611
Forest Practice Application Conversion	106 Days	94	82	53	41.2
Forest Practice Application Conversion ~ Open Harvest Plan	106 Days	77	76	None Submitted	139.8

Notes:

1 ~ Data is total time from submittal to notice of decision; clock stop (time in applicant's hands) not subtracted. 2 ~ HE Variances (HE) have been filtered to exclude Zoning Variances. Data reflects clean-up of old permits.

Development Engineering Review Times (Submitted to Notice of Approval)

Permit Type	Processing Time				
	Objective	2006	2007	2008	2009
Site Development Activity Permit ~ Commercial	106 Days	281	292	119	1218
Site Development Activity Permit ~ Grading	78 Days	173	179	64	484
Site Development Activity Permit ~ Land Use Subdivision	106 Days	421	333	197	1316
Site Development Activity Permit ~ Right of Way Use/Improvement	106 Days	265	291	112	362
Site Development Activity Permit ~ Single Family Residence	106 Days	207	202	95	279

Notes:

1 ~ Data is total time from submittal to notice of decision; clock stop (time in applicant's hands) not subtracted. Data reflects clean-up of old permits.