



DEPARTMENT OF COMMUNITY DEVELOPMENT 2014 Annual Report

Larry Keeton, Director

DEPARTMENT OF COMMUNITY DEVELOPMENT

2014 Annual Report

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Community Development

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Our Purpose

Provide Citizens, Board of Commissioners, Stakeholders and Interested Parties an annual report on the permit/land use activities of Kitsap County's Department of Community Development for the year 2014.

Our Mission

Enable the development of quality, affordable, structurally safe and environmentally sound communities.

Our Values

- We engage and empower our staff to make a difference for our citizens and our community.
- We provide excellent customer service to our citizens.
- We get people to "Yes" within the scope of the Kitsap County Code.
- We treat all with dignity and respect.
- We make transparent decisions backed with integrity.
- We facilitate responsible development that protects our environment and enhances the quality of life for current and future generations.

Director's Message

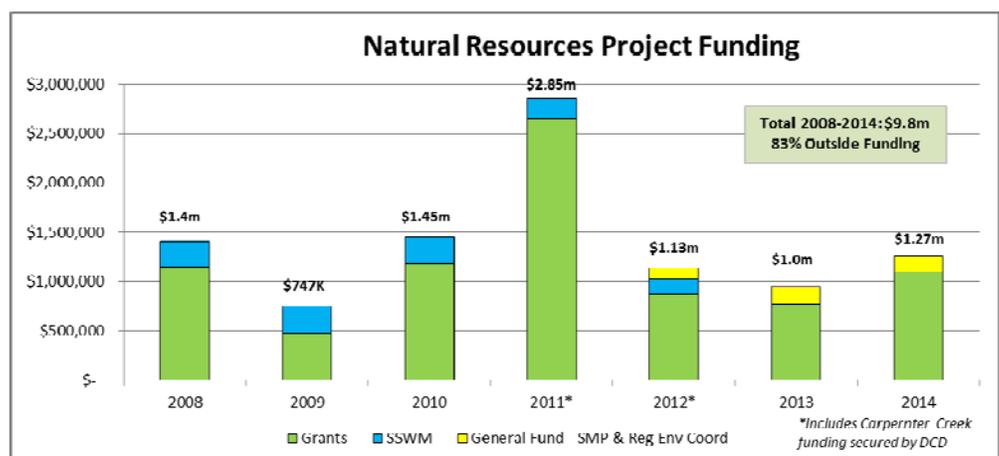
In 2008, the Department (DCD) became a special revenue fund. Permitting operations were no longer funded by the General Fund. In that same year, revenue shortfalls dictated a reduction in force (RIF), and for the first time, the County laid off staff mid-year. The morning following the RIF of 16 employees, the Department gathered in Givens Community Center. At the conclusion of that meeting, I said we would get through this and when it was over, the department would be leaner, more efficient, and a great place to work.

This Annual Report reflects the transformation of the Department. The adoption of Lean process improvement methodologies in mid-2012 has created an organization that is customer-centric (the voice of the client matters), a department focused on its mission, a department where staff is engaged and people seek to work here, and a department that has won two National Association of Counties Awards of Excellence for streamlined permitting processes and Public Disclosure Request processes and the Washington State Governor's Award for Comprehensive Planning.

Unlike the culture of 2007, today, staff are results oriented. In 2014, we processed **3,202 permits** and **issued 2,655 permits** with a **valuation of 137 million dollars**. Our commercial permit efforts saw an increase of 17% but a doubling in valuation. A kaizen effort (process improvement event) on commercial permitting saw processing times drop from 40-90 days, to an average processing time of 21 calendar days. The establishment of predictability of processing times has been crucial. The fact we can tell a customer our processing times when they submit manages expectations. And, most citizens understand that it is not the system that is broke, but the lack of staffing capacity to keep up with increased number of permits.

In the code development work, the involvement of stakeholders is the norm. This reflected with the successful enactment of the Shoreline Master Plan, a traditionally contentious shoreline regulation. The approach differed. A broad range of stakeholders were involved from the start. Department of Ecology's representative attended all meetings, offering advice and information as requested. The Plan was not not appealed by any group. This is monumental.

The Department's Natural Resource efforts have received significant regional and national recognition. The Puget Sound Partnership, Department of Ecology, and the Environmental Protection Agency



regularly approach the Department to undertake grant programs to prove methods that can restore the Sound. This is evident in the fact that the County has invested \$1.6m since 2008 and has a return on that investment of 500%.

No organization is successful without a supportive Administrative Staff who works behind the scenes to modernize the Department's efforts. In 2012, the Department transitioned to Paladin's SmartGov permitting system. Though challenging to meet our department's processes, the Administrative Staff has been instrumental in making the system work for staff. This effort continues with their leading process improvement efforts, developing reportable systems that allow management and staff to see what's working and what's not, and modeling a Nordstrom level of customer service during permit intake. Constant customer compliments recognize this staff in their daily work. And, their plans to successfully transition the department to Sharepoint, have made them sought after by other offices and departments to advise on similar efforts.

Are we perfect? Not by a long-shot. But, we are committed to problem solving within the scope of our abilities, to moving forward, to be the recognized innovators in the local government process. We are committed to our citizens, to enhance our trust in us. We are committed to drawing younger, bright minds into County government. We are committed to being transparent. We are committed to fixing issues as they arise. We are committed to making a difference – a difference that makes Kitsap County the place where people want to work, to live and raise their family in healthy and environmentally sound communities, and to recreate.



Larry Keeton
Director, Community Development

Department Overview

The Department of Community Development (DCD) has the following major functions:

- Develop and implement the County's Comprehensive Plans, subarea plans, Shoreline Master Plan, and subsequent codes that manage land use, environmental protection, and storm water in the unincorporated areas of Kitsap County (mandated).
- Perform the public safety and health functions related to safe structures, fire protection, code compliance, environmental compliance, etc. through its permitting and inspections processes (mandated).
- Coordinate the County's requirements under the State/Federal Salmon Recovery Plan and provides technical and policy assistance to the Board on Hood Canal, Puget Sound, Surface and Stormwater and related environmental mandates (mandated).

Department Accomplishments

- Completed major milestones in preparation of the Comprehensive Plan update, to include a Buildable Lands Report, a Public Participation Plan, a dedicated website and innovative partnerships to make the Comprehensive Plan action-oriented and achievable.
- Completed process improvement program for commercial permit applications. Reduced time to first review or approval by more than 1/3.
- Combined residential and commercial review into one work group with cross discipline assignments.
- Combined development engineer and building inspection programs into a single unit. Days to receive an inspection for both disciplines average less than two calendar days.
- Completed and implemented process improvement program for code enforcement utilizing field inspectors that has more than doubled the closure rate for complaints.
- Combined multiple electronic tracking and information databases into a single database in the SharePoint format.
- Initiated a program to issue Commercial Certificates of Occupancy in the filed – reducing the time to issue the certificates by more than 30 days.
- Launched online permit submittal program through the Online Permit Center.
- Created and implemented a Public Records Request Workflow Automation Solution to consolidate multiple tracking mechanisms and provide an efficient, predictable and consistent response to citizens.
- Completed a Kaizen (process improvement) project of the department's Site Development Activity Permit process resulting in uniform application methods and processes, standardized templates, checklists and electronic information sharing with applicants.
- Consolidate two review processes – Land Use and Environmental Review with Development Engineering into one single process and division, Development Services and Engineering. The two separate but parallel processes now concentrate on the requirements that had previously been accomplished in parallel tracks into one coordinated review.

Lean Process Improvement Culture

Developing the Department's culture of Lean Process Management and Continuous Improvement has fundamentally changed the way we do business.

PEAK Planning

In 2014 the department developed PEAK – Performance Excellence Across Kitsap management plans for key processes and programs designed to identify and track improvements on a continuous basis. PEAK plans act as implementation plans that guide staff through the tasks to accomplish improvements. They are in place for key processes and are reviewed regularly by management and staff.

					Date: 8/7/2014				<h2 style="text-align: center;">P.E.A.K. PLAN</h2> <h3 style="text-align: center;">VALUE STREAM ANALYSIS (VSA)</h3>				
					Department: DCD/GIS								
					Title: New Addresses, Changing Addresses & Road Naming								
ITEM #	KAIZEN PROJECT	JDI	PRIORITY	RECOMMENDATION	TEAM LEAD/FA C.	PLAN DATES		PROBLEM STATEMENT	STATUS	DATE EDITED	ADDITIONAL COMMENTS	CHARTER	
						START	FINISH						
1	x		1	Define "quality address" and "quality road name"	Tom/ Eadie	8/11/14	9/30/14	No standardized definition means different levels of acceptance	In Progress	9/18/14	GIS will draft matrix to identify how definitions meet requirements for code, USPS and 911 Once Developed Nicole can review code alignment/needs, Eadie will review 911 and USPS alignment/needs		
2	x		1	Update code: quality address, quality road names, decision-makers on policy on implementation	Larry	9/1/14	2/1/15	Code does not reflect quality address and road name definitions			Pay to pick a name? Name easement if 1 st builder?		
3		x	1	Evaluate resource needs for addressing	Diane / Larry	8/7/14	1/1/15	Insufficient resources	In Progress	10/8/04	Including field check work, funding for blue address signs, Tech needed, Staff needed: GIS, CENCOM, DCD <i>Pending Budget Approval</i>		

Training and Orientation

The department has adopted the goal of having all staff trained to a basic standard of knowledge in lean processes by attending Yellow Belt training. At the end of 2014 44% of department staff had completed Yellow Belt training. In addition, 6 department staff have completed the next level of process improvement training, Green Belt training. The department's Green Belt trained staff provide instruction internally and are available to support other county departments in lean process techniques.



PEAK (Lean SixSigma) Trained Staff: 27

JDI (Just Do It): 2

Small projects that can be implemented quickly.

Projects: 2

Large project requiring a team.

Kaizens: 4

Rapid improvement event targeting elimination of wasted steps.

Continuous Improvement

In the coming year the department anticipates expanding its detailed improvement examinations to include electronic plan review and application submittal, department process control measures/metrics, building valuation configuration, Site Assessment permit process, and fee related processes. We anticipate revisiting some of the improvements in permit application review, inspection and intake to assure that these processes are as lean as we can make them and meet the changing needs of those who need our services.

Customer Service

Publishing Processing Times

The Department began publishing processing times for key permitting processes so that staff could clearly communicate average processing times to customers at the time of application submittal. This processing time specifies the time it takes for an application to go from an accepted, complete submittal to approved. This information also allows the Kitsap 1 call center and other DCD staff to use this data to communicate current processing times to customers so they have clear expectations related to the review time for their project.

Type III Processing Times - Q2 2014

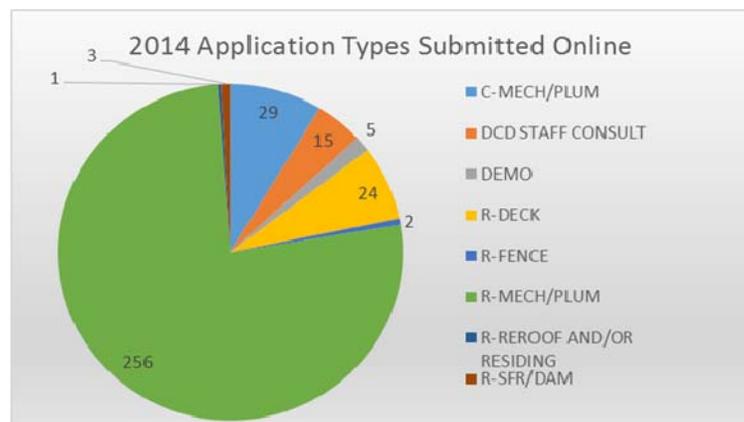
Indicator	Goal	Value	Status
Average Processing Time	90	71	●
First Pass Yield	75	73	◆
Workload-Capacity	0	26	●

Training Sessions

In 2014 the Department celebrated Building Safety month by providing a deck clinic at area home improvement stores and at the County administration building. Other trainings include: how to register for the Online Permit Center, manage permits from the Online Permit Center, how to apply for permits online, and overview of the site specific application process.

Customer Driven Programs

In 2014 the opportunity for customers to apply for permit applications online continued to grow. As a result, 335 or 28% of these permit types were applied for online instead of in person. This program provides easy access to apply for permits and results in cost savings to the department. The estimated 75% reduction in processing time results in a hard cost savings of over \$2K for 2014.



Permit Application Statistics: Submittals

Permit Application Submittals: A major factor in the county's economic health is land development and construction. Permit activity can demonstrate this economic health. The following table shows the overall number of building, land use, environmental and development engineering, as well as two **selected** categories that can be used to analyze current and future work.

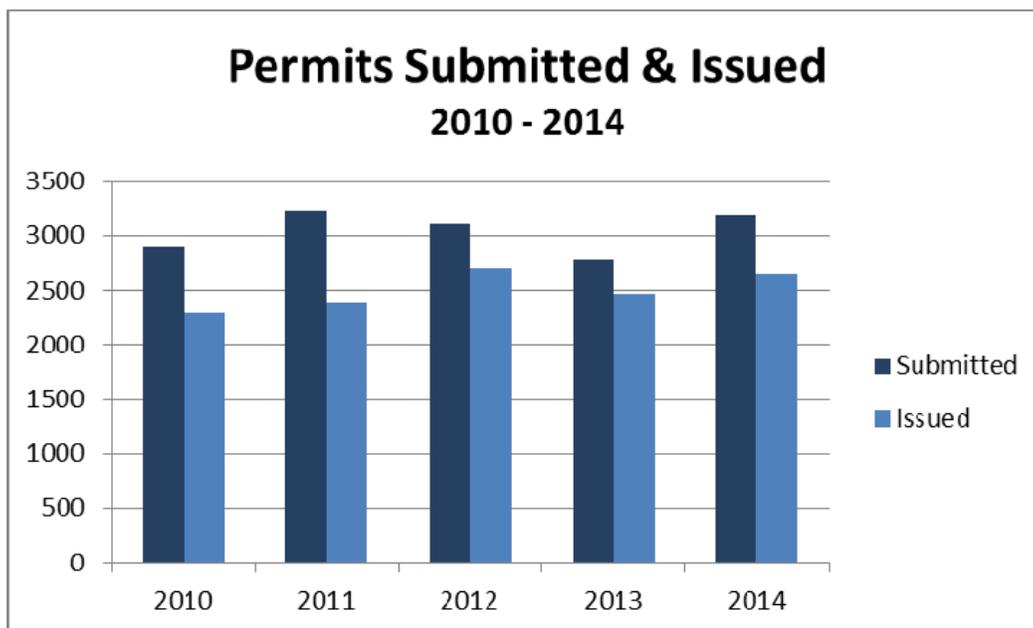
Annual Permit Submittal Summary			
Permit Types	2013	2014	% Change
Building	1,997	2,365	18%
Fire Code	240	220	(9%)
Land Use	120	131	9%
Environmental	173	147	(15%)
Development Engineering	263	339	29%
Total	2,793	3,202	15%

Category 1: Current Activity Type Permits			
Permit Types	2013	2014	% Change
Site Development Activity Permit Residential	14	30	114%
Site Development Activity Permit Commercial	15	10	(33%)
Commercial New Construction	63	98	56%
Commercial Tenant Improvement	157	193	23%
Residential Single Family Residence	289	285	(1)%
Residential Remodels / Additions	289	277	(4%)

Category 2: Long Term Land Use Permits			
Permit Types	2013	2014	% Change
Preliminary Plats	0	4	400%
Preliminary Plats - Large Lots	8	7	(13%)
Preliminary Plats - Short Plats	2	5	150%

Permit Application Statistics: Issued

Annual Permits Issued Summary				
Permit Types		2013	2014	% Change
Building	#	1,793	2,051	14%
	Valuation	\$133,613,303	\$137,255,307	3%
Fire Code		225	201	(11%)
Land Use		103	86	(17%)
Environmental		81	89	10%
Development Engineering		267	228	(15%)
Total		2,469	2,655	8%



Permit Applications: Results

What gets measured gets done!

In 2012, the department launched its first focused process improvement event using the lean six sigma methodology. The initial focus of the event was on single family residence permitting and soon expanded to all residential building permits. This focused effort resulted in improved first pass yield, reduced processing times and an overall increase in customer satisfaction.

Residential Permitting – Lean Results

Average # Days To	Pre – Lean	Post-Lean Jan 2014
First Notification of Permit Issues or Approved	21	15 (Target 18)
Permit Approval (in-house processing time)	26/30	15 (Target 18)
First Pass Yield (Approved on first try)	4%	60% (Target 85%)
Reason for Returns	Unknown	Stormwater, Critical Areas, Building
Client Satisfaction	Negative	Positive

Subsequent process improvement events focused on Type III conditional use permitting (CUP) decisions and soon expanded to all Type II and III permit decisions. This focused effort resulted in key changes including a vastly improved first pass yield with immediate intake (resulting in an up to 28-day review-time reduction immediately), greatly reduced processing times and an overall increase in customer satisfaction as well.

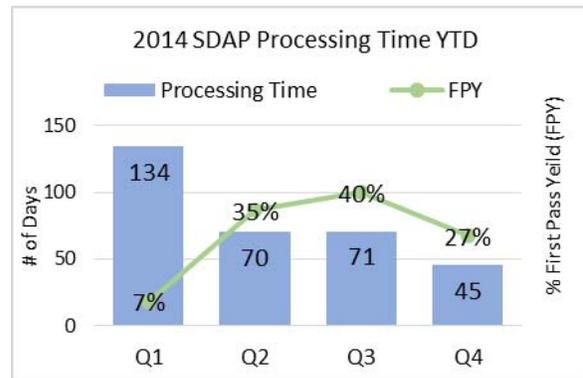
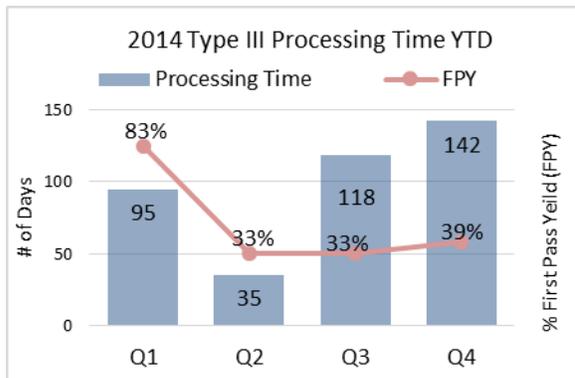
Type III Permit Decisions – Lean Results

Average # Days To	Pre-Lean	Post-Lean 2014 Average
Permit Approval (in-house processing time)	261	98 (Target 90 Days)
First Pass Yield (Approved on the First Try)	Unknown	53% (Target 75%)
Reason for Returns	Unknown	Unknown

Site Development Activity Permits – Lean Results

Average # Days To	Pre-Lean	Post-Lean 2014 Average
Permit Approval (in-house processing time)	101	80 (Target 60 Days)
First Pass Yield (Approved on the First Try)	0%	27% (Target 30%)
Reason for Returns	Unknown	Unknown

The charts below reflect processing times and first pass yield for Type III and Site Development Activity Permits (SDAPs) by quarter for 2014.



These efforts have produced results that are measurable, transparent and sustainable. Processing times are published and available to the public.

Performance Excellence Statistics

SDAP Processing Times - Last 3 Months

Indicator	Goal	Value	Status
Processing Days	60	101	❖
First Pass Yield	75	24	❖
Workload-Capacity - 1/1/15	0	17	●

Residential - December 2014

Indicator	Goal	Value	Status
Processing Time	18	31	❖
First Pass Yield	75	10	❖
Workload-Capacity - 1/1/15	60	69	❖

Type III Processing Times - Last 3 Months

Indicator	Goal	Value	Status
Average Processing Time	90	197	❖
First Pass Yield	75	50	❖
Workload-Capacity - 1/1/15	0	28	●

Commercial - December 2014

Indicator	Goal	Value	Status
Processing Time	21	27	❖
First Pass Yield	75	70	⚠
Workload-Capacity - 1/1/15	0	19	●

Type II Processing Times - Last 3 Months

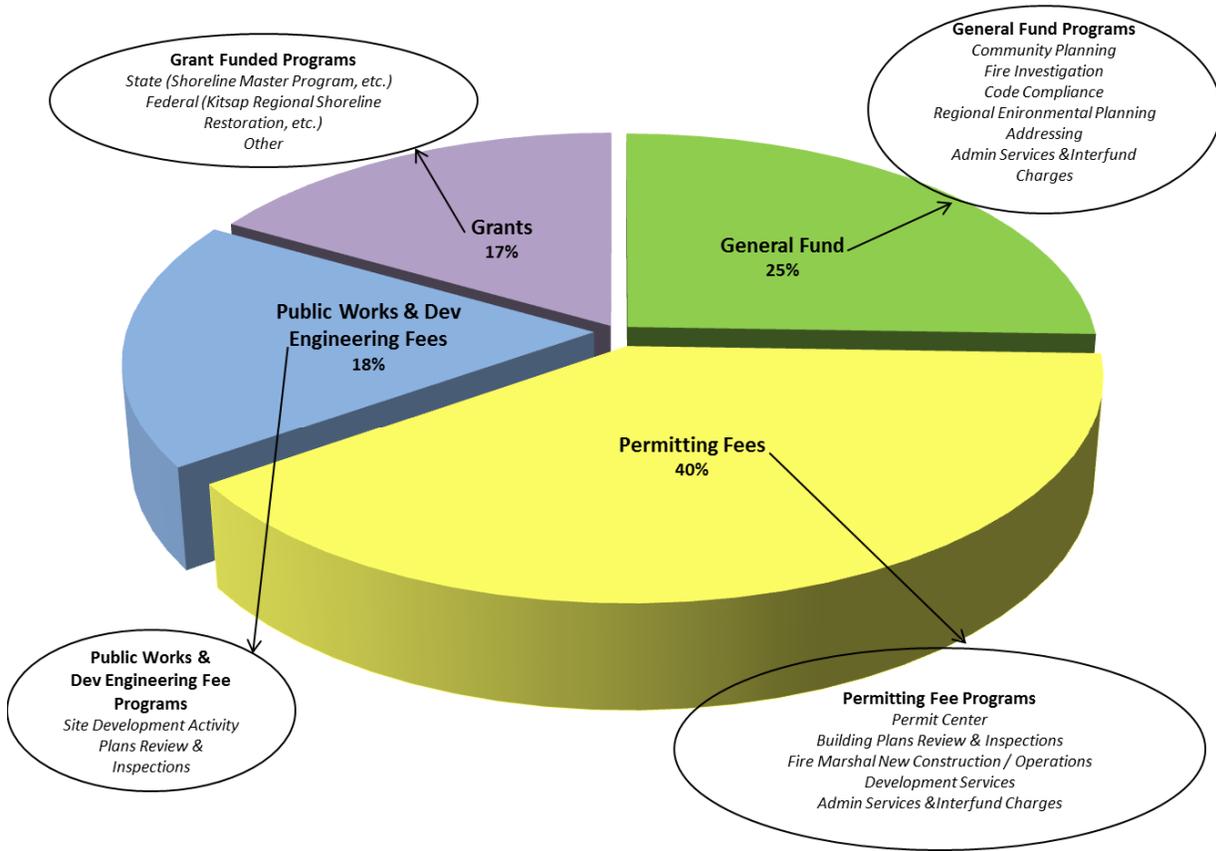
Indicator	Goal	Value	Status
Average Processing Days	60	80	❖
First Pass Yield	75	20	❖
Workload-Capacity - 1/1/15	0	29	●

Fire - December 2014

Indicator	Goal	Value	Status
Processing Time	10	5	●
First Pass Yield	75	79	●
Workload-Capacity 1/1/15	0	7	●

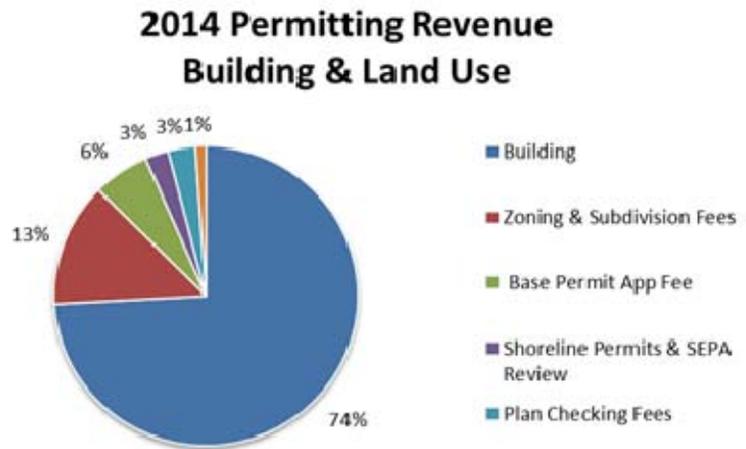
Financial Overview

2014 Community Development Preliminary Final				
	2013	2014	Variance \$	Variance %
Revenues	\$6,581,541	\$7,649,201	\$1,064,713	16%
Expenditures	\$6,364,616	\$7,523,388	\$1,163,290	18%
Variance	\$216,925	\$125,813		



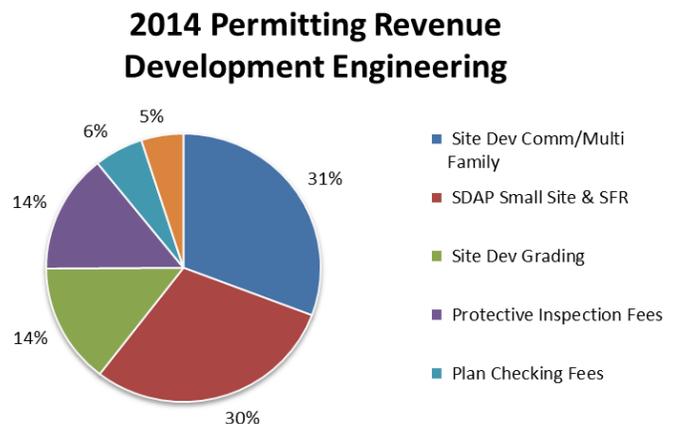
PERMITTING – Building & Land Use				
	2013	2014	Variance \$	Variance %
Revenues	\$2,858,819	\$3,184,029	\$325,210	11%
Expenditures	\$2,655,201	\$3,090,593	\$435,392	16%
Variance	\$203,618	87,147		

The Department realized an increase of 11% in building and land use permitting revenue in 2014 as compared to 2013. An overall increase in building permits are the primary source of the revenue increase. Building permit revenue consists of 74% of the total building and land use permitting revenue.



PERMITTING – Development Engineering				
	2013	2014	Variance \$	Variance %
Revenues <i>Permitting</i>	\$280,880	\$436,363	\$155,483	55%
<i>Public Works</i>	\$954,693	\$945,687	(\$9,006)	(1%)
Expenditures	\$1,235,573	\$1,382,050	\$146,477	12%
Variance	\$0	\$0		

The Department realized an overall 55% increase in development engineering permitting revenue in 2014 as compared to 2013. The Public Works Road Fund continues to fund approximately 70% of the Development Engineering functions to include development proposals for traffic, roads, stormwater, solid waste, and surveys for compliance with local and state code, as well as engineering requirements.



Awards & Recognition

2011 Governor's Smart Communities Smart Vision Award

In 2011, Kitsap County was presented the Smart Vision Award for the 'Kitsap County Year of the Rural' Program (rural and resources lands, Kitsap County ten-year plan update) for outstanding achievement in creating livable and vibrant communities.

NACO 2013 – Streamlined Residential Permitting Review Program

In 2012, the department was awarded the National Association of Counties Award for improving the single family residence permitting process. Facing a 15% increase in overall permit submittals and a financial inability to hire new staff, the department implemented Lean Methodologies to improve the overall customer experience and reduce residential permitting review times despite the economic challenges. As an outcome of this Lean event, the overall service delivery for residential permits improved dramatically. In the first three months following implementation the average lead time for residential permit approval decreased by almost 70% from twenty six to eight days. In addition, the first pass yield (permits approved on the first submittal) increased from 4% pre-Lean to the current 51%. A redesigned customer service center provides face-to-face and personal contact, electronic payment options, free wireless internet, and increased amounts of self-service information including application materials and other options. The improved permitting process provides customers with shorter, more predictable permit turnaround times, benefitting construction planning. This reduces client holding costs and adds certainty and reliability when considering development projects that, in turn, leads to local job growth which improves overall economic development throughout the community.

NACO 2014 – Public Records Request Workflow Automation Solution

In 2013 the department the department was awarded the National Association of Counties Award for providing a streamlined solution to processing and tracking public records requests by leveraging an existing internal SharePoint site to unite several inefficient, individual processes into one standardized and centralized Public Records Request workflow automation solution. This collaborative workspace is accessible to all staff, including the County-wide call center staff and County Records Managers. It is monitored through automated alerts sent to records management staff that utilize standardized templates for response to citizens. The outcome of this effort has resulted in the consolidation of multiple tracking mechanisms, a predictable and consistent response to citizens, assurance that required timeframes are met, a reduction in wait time for citizens by 20%, an increase in First Past Yield (percentage of documents that are made available within 5 business days) from 14% to 61%, and is currently being tested for County-wide implementation.

DCD Workforce Plan

The department is in the process of finalizing its first workforce plan. The plan is designed to help ensure the department has the right number of people with the right skills, in the right place, and at the right time. By clearly understanding the current workforce, identifying vulnerabilities, the department is better able to develop a plan of action to recruit and retain a highly skilled and talented workforce into the future.

What's Next?

2015's workload is expected to be challenging. The Department's priority focus in planning is the updating of the County's Comprehensive Plan mandated by the state legislature. In previous years, this update has been resourced such that consultants did the majority of the work. In 2015, this effort has been moved in-house where DCD will orchestrate the plan's update across multiple departments and agencies while seeking input from citizens groups and organizations traditionally ignored.

While Comprehensive Plan focuses on the long range strategic plan for the County's accommodation of 80,000 people by 2035, the current business of permitting, inspections, fire investigations, and code compliance continue. In 2015, it is anticipated that the economy will continue to rebound. With this rebound will see an increase in permits, but not necessarily an increase in staffing. Thus, systematic improvements will continue to influence our culture and daily operations.

The time is coming where the department's portion of the system can be "fixed" so much and future improvements will rest heavily on the applicant preparing their documents correctly to shorten their time in the processing queue. In 2015, the Department will begin publishing "common errors" for applicants to check before submitting. This should help reduce the processing times.

Additionally, in 2015, the Department is striving to implement on-line submittals and electronic plan review. This will reduce the amount of paper necessary for submissions and allow for quicker transmittal times between the department and the applicant.

In conclusion, the Department continues its focus to providing the best service it can with its available resources.