



## **County of Santa Cruz Board of Supervisors**

### **Agenda Item Submittal**

**From:** County Executive Office

**Subject:** Report on Organizational Assessment of the Permit Center

**Meeting Date:** June 24, 2025

**Formal Title:** Consider report on Organizational Assessment of the Permit Center, and take related actions

### **Recommended Actions**

1. Accept and file report on progress of the 30/60/90 day and Board-directed process improvements, as approved by the Board during the March 25, 2025, Study Session on the Organizational Assessment of the Permit Center;
2. Approve the Development Services Process Improvement Workplan (Workplan); and
3. Direct staff to return on or before December 16, 2025, with a report on progress made on the Workplan.

### **Executive Summary**

On March 25, 2025, the Board held a Study Session on the Organizational Assessment of the Permit Center (Assessment) completed by Baker Tilly. This included a review of current and past process improvements and identified observations as well as recommendations for future process improvements. Staff and the Board identified near-term improvements to be completed, and the Board requested that staff return on June 24, 2025, with a report on progress made on the recommended near-term improvements and a workplan for future process improvements based on the Baker Tilly recommendations. This report provides:

- Overview of Assessment findings and recommendations;
- Progress report on near-term improvements and workplan in table format;
- Discussion on quick wins for improvements already completed and long-term strategic initiatives;
- Introduction to the updated Unified Permit Center (UPC) dashboard;
- Update on Environmental Health process improvements;
- Summary of June 12, 2025, Stakeholder Meetings;
- Discussion of next steps in work plan refinement and implementation; and
- Substantive attachments on the progress of the 30/60/90 day and Board-directed improvements and the Development Services Improvement Workplan outline upcoming improvement efforts.

### **Discussion**

In response to ongoing concerns, the Board has prioritized improving the operational efficiency of the development review and the building permit approval process of the County of Santa Cruz (County). The County Executive Office (CEO) hired Baker Tilly to complete an Organizational Assessment of the Permit Center (Assessment). On March 25, 2025, the Board held a Study Session to hear the observations and recommendations from the Assessment. The Assessment included a review of current and past process improvement efforts, operational data, interviews with employees and

customers, stakeholder meetings, and an employee survey. At the Study Session, Baker Tilly presented observations and recommendations resulting from the Assessment. Community Development and Infrastructure (CDI) Planning Division staff made additional process improvement recommendations to be completed within 30, 60, and 90 days (30/60/90 Implementation). Additionally, the Board directed CDI staff to implement nine additional process improvements (Board-Directed Implementation) in addition to the 14 recommendations provided in the Assessment (Workplan).

### ***Baker Tilly Report Findings***

Within the review of the County's building permit process, Baker Tilly observed both progress and challenges. While many improvements have been made, including online application tools and more digital services, complex regulations and environmental issues continue to slow down permitting. Staff and community feedback indicated frustration with inconsistent communication, unclear procedures, and too many rounds of plan review. Concerns also included difficulty hiring staff, outdated tools, and a perception of a limited model of service excellence that some believe still lingers within the Unified Permit Center (UPC), CDI, and all of development services. The review highlighted the need for better customer service, clearer information for applicants, and stronger coordination across divisions and departments.

To address these issues, the Assessment recommended several key actions. These included updating policies to clarify decision-making authority, updating the County Code, strengthening customer service focus and training, and improving communication with the public through regular updates, and clearer public information and increased communication between divisions and departments. The recommendations also suggested adding staff, improving use of technology (including Artificial Intelligence [AI]-assisted tools), and setting up a stronger pre-application support process to help people from the start. A more consistent and streamlined plan review process was also recommended, along with development of a detailed action plan to guide and monitor future improvements. These steps aim to make the building permit experience more efficient, transparent, and customer focused.

### ***Process Improvement Implementation***

As outlined at the March 2025 Study Session, the recommendations to improve the development process are represented in three major themes:

- ***Sources of Complexity:*** This theme represents complex factors outside of the control of the UPC to efficiently approve a development permit. This includes, but is not limited to, natural resources, cultural resources, sewage disposal, and State or federal regulations. A deeper look at the context in which the UPC is operating reveals a decades-long and pervasive history of community opposition to development (Measure J<sup>1</sup>, NIMBYism<sup>2</sup>, California Environmental Quality Act (CEQA) challenges and lawsuits), a complex development code centered around

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<sup>1</sup> In 1978, in response to the perception of runaway growth, Santa Cruz County voters approved Measure J, which aimed to slow growth by mandating the preservation of farmland, concentrated growth within an Urban Services Line, and requiring affordable housing.

<sup>2</sup> NIMBY is short for "Not in My Backyard" and refers to opposition to new development or changes to land use within a local community, often due to concerns about property values, incompatibility with the neighborhood, infrastructure deficiencies, traffic, parking, or any other perceived negative impact on the neighborhood.

balancing the protection of natural and agricultural resources over new development, and a nearly 50-year history of land use decisions at all levels including staff, the Planning Commission, and the Board of Supervisors focused on the protection of status quo and neighborhood character and reluctance to change.

- *Continuous Process Improvement*: This theme represents process improvements such as updating policies and operational improvements that are within the control of CDI to reduce the complexity or increase the speed for approval of a development permit. The focus of the Workplan concentrates heavily on this aspect.
- *Organizational Culture (Service Excellence)*: This theme includes activities that improve the customer experience when doing business with the UPC. The focus of the response to the Baker Tilly analysis also concentrates on this aspect, along with data sharing and transparency to bring clarity to the development process.

As noted, at the March 2025 Study Session, CDI staff identified quick wins in the 30/60/90 Implementation, and in turn the Board also identified a series of improvements to be implemented in addition to the 14 recommendations noted in the Assessment. Some of the Board identified improvements overlapped with the Assessment recommendations or were very similar.

Table 1 provides a summary of the identified improvements for implementation and the status. The table is organized by the 30/60/90 Implementation details followed by Board-Directed Implementation, and lastly with the Assessment recommendations included in the Development Services Process Improvement Workplan (Workplan). More detailed information is provided in the attached *30/60 90 Day and Board-Directed Improvements* and *Development Services Process Improvement Workplan* including the objective, key tasks, timeline, project dependencies, success criteria and risks. Each recommendation has been identified with the themes outlined above.

**Table 1:**  
**Summary of Process Improvement Implementation**

	Objective Origin	Description	Status	Completion Date	Notes
<i>30/60/90 Implementation</i>					
1	30 Day	Establish walk-in hours for UPC	Complete	5/5/25	
2	30 Day	Provide same day intakes for Discretionary Permits	Complete	5/15/25	
3	30 Day	Enhance Appointment Scheduler to request customer satisfaction feedback after each appointment	Complete	5/16/25	
4	60 Day	Streamlined CZU permit process (remote ePlan intakes, automated Deficiency Letter, etc.)	Partially Complete		Automation of deficiency is still pending
5	60 Day	Increasing staff in-office time to support more in-person service	Complete	6/2/25	

	<b>Objective Origin</b>	<b>Description</b>	<b>Status</b>	<b>Completion Date</b>	<b>Notes</b>
6	90 Day	Continued quarterly Stakeholder Meetings	Complete	6/12/25	
7	90 Day	Inspection module and streamlined inspection scheduling to improve customer experience	Ongoing	Anticipated 11/1/25	Incorporated into Workplan Project 13
<b>Board-Directed Implementation</b>					
1	Board-Directed	Intake and review comments cited in Code	Ongoing	Implemented	
2	Board-Directed/ Assessment Recommendation	No more than one round of review comments, with exception for additional rounds of comments if applicant has inadequately responded to original comments	Ongoing	Partially Implemented	Requires applicant/staff meeting at 3 <sup>rd</sup> round correction comments and applicant /manager meeting at 4 <sup>th</sup> round
3	Board-Directed	Clarify role of Unified Permit Center Manager	Complete	4/21/25	
4	Board-Directed	Assign one Building Permit Technician per building permit application	Complete	5/7/25	
5	Board-Directed	Include customer feedback survey when permit is issued, including feedback on the principal Building Permit Technician	Complete	5/16/25	
6	Board-Directed/ Assessment Recommendation	Include within 2025-26 draft budget an option to hire two (2) Building Permit Technicians	Complete	6/10/25	Approved in Supplemental Budget
7	Board-Directed	Develop and present a single public facing dashboard to measure performance that includes the number of reviews or comment rounds per permit issued	Complete	6/24/25	
8	Board-Directed	Include in Workplan options to establish a self-certification program, including in the wake of disasters, based on experience of other California jurisdictions	Ongoing	See work plan discussion and recommendation	Analysis of other jurisdictions included
<b>Board-Directed -- Included in Workplan</b>					
9	Board-Directed	Engage with Baker Tilly to develop integrated scope of work that provides greater analysis and specific recommendations for improving current CZU rebuilding permit processes, with goal of achieving greater pre-clearance and permit completions, and present options to the Board	Ongoing		Data analysis and synthesis of options ongoing. Incorporated in Workplan Project 14. Anticipated report back to the Board by October 2025
<b>Assessment Recommendation Workplan</b>					
	Assessment Recommendation	Ensure appropriate UPC management staff has and	Ongoing	Implemented	

	Objective Origin	Description	Status	Completion Date	Notes
		exercises organizational authority to review comments on all third routings			
	Assessment Recommendation	Consult with County Counsel on updating County regulations to enhance permitting efficiency and provide clarity on interpretation authority	Ongoing		Incorporated in Workplan Project 1 and 5. Work includes an annual Code update and a comprehensive Code update
	Assessment Recommendation	Develop and implement customer service training program and publicly report-out performance metrics (including customer satisfaction) and standards	Ongoing		Incorporated in Workplan Project 9.
	Assessment Recommendation	Develop and implement robust pre-application process for building permits to assist all applicants, from large developers to homeowners and “do-it-yourselfers”	Ongoing		Incorporated in Workplan Project 8
	Assessment Recommendation	Conduct process mapping to identify specific areas where bottlenecks and inefficiencies occur in the building permitting process	Ongoing		Incorporated in Workplan Project 3
	Assessment Recommendation	Ensure administrative policies and operational procedures pertaining to all aspects of building permitting (i.e., application and intake, plans distribution and review, building permit approval and issuance, inspection and closeout) are clear and documented and consistently applied	Not Started		Incorporated in Workplan Project 4
	Assessment Recommendation	Enhance communication and coordination within and outside of CDI through quarterly meetings of advisory committee comprised of CDI customers and staff	Not Started		Incorporated in Workplan Project 6
	Assessment Recommendation	Further refine the CDI website, including web pages and quick links for the Unified Permit Center and Building Permits and Safety. Additional enhancements will make it easier for applicants to find information and access the services necessary for their projects	Not Started		Updates will be ongoing and hinge upon several projects identified in Workplan. Incorporated in Workplan Project 12
	Assessment Recommendation	Identify and pursue opportunities to enhance collaboration across important building permit-dependent services and processes such	Ongoing		Incorporated in Workplan Project 7

	Objective Origin	Description	Status	Completion Date	Notes
		as septic system approval, fire requirements and review, soils, geotechnical and biotic reporting, etc., including further consolidation of development related functions under CDI			
	Assessment Recommendation	Pursue (including training and staff support) integrated technology solutions (including AI-assisted plan review) with functionality needed to effectively allow for coordination and communication by all involved in building permit review process (i.e., customers, County staff, etc.)	Ongoing		Incorporated in Workplan Project 2

### ***Quick Wins Highlights***

#### Organizational Culture Achievements and Process Improvements

Staff have achieved several early successes aligned with the Organizational Culture theme. Notable accomplishments include the implementation of walk-in hours, same-day intakes for Discretionary Permits, and the launch of post-appointment and post-permit issuance surveys to solicit customer feedback on service quality. To date, CDI has received 51 responses to the post-appointment surveys, with 90.2% of respondents rating their experience as “Very Satisfied” and three expressing dissatisfaction.

In support of operational effectiveness, a key staffing policy change was implemented increasing the in-office requirement for all Planning staff from two to three days per week. Additionally, the Board of Supervisors approved two new Building Permit Technician positions as part of the recently adopted CDI budget.

Beyond these service delivery enhancements, CDI has made significant process improvements. These include a comprehensive update to the public-facing Building Permit Dashboard (detailed further below), along with the implementation of standardized building permit review procedures. These procedural updates include:

- Requiring that all correction comments include corresponding County Code citations.
- Mandating reviewer-applicant meetings at the third round of corrections.
- Requiring management participation at the fourth round.
- Ensuring all division managers review third-round corrections to identify recurring themes, such as frequently overlooked plan details, requests for excessive documentation, or policy-related inconsistencies.

These efforts aim to reduce the frequency of extended review cycles. Over the past three months of the 600+ reviews conducted, 8% reached a third round of corrections, 2% reached a fourth round, and 1% proceeded to a fifth round or beyond. Through continuous quality improvement and increased management oversight of review feedback, these percentages, already relatively low, are expected to decrease further.

## Update of Unified Permit Center (UPC) Dashboard

The UPC dashboard, available on the County's "Vision Santa Cruz" webpage, has been updated to provide the user with the last two years of permitting information and current in-process permit data. Links are posted throughout the UPC webpages to direct the user to the [Permit Center dashboard](#). The dashboard has been refreshed with metrics identified as relevant to customer experience including average numbers of review days by the county, average cost, and average number of review rounds, all by permit type based on the last two years of data. This snapshot provides an applicant a realistic view of processing times and costs. The current in-process dashboard allows the viewer to see the real-time workload of the UPC and associated reviewers as well as track their own project. These dashboard changes are more transparent adding additional information and easier navigation. The updated landing page (Permit Center) is now refreshed weekly and is a rolling two years of permit history. Staff intends to present the dashboard to the Stakeholder Group for feedback, which will be used to refine the dashboard, and provide a basis for continuous process improvement. The new UPC dashboard will be demonstrated as part of the staff presentation.

## Data-Driven Decision Making

The implementation of key reporting and performance metrics is central to evaluating the effectiveness of process improvements. By rigorously analyzing these metrics and maintaining regular engagement with the stakeholder group, staff can ensure that changes are impactful and aligned with organizational goals. These performance insights will be periodically shared with the Board of Supervisors in the form of status updates, scorecards, and summary reports to be developed as a next phase of the dashboard work.

An example of a key metric that is regularly monitored is on-time plan check reviews. Comparing this metric to the number of total plan-checks under review at any given time shows a clear relationship between on-time performance and workload. This relationship is further improved by having an on-call contract for consultant, third-party plan-check services. This third-party plan check service is limited to building code reviews yet is still a valuable tool in improving on time performance. Additionally, on-time performance is a County Strategic Plan Objective, further enforcing the importance of this metric.

With the development of the new UPC dashboard and introduction of new customer survey practices, over the summer staff will develop score cards to monitor ongoing performance including number of review rounds, days to approve, and other operational metrics to track the impact of various improvement efforts. The score cards will be used internally to inform further improvements and shared with the Board and the public to present progress and support accountability.

## Long-Term Strategic Initiatives with in the Workplan

Some recommendations under the Sources of Complexity theme require more extensive resources, time, and investment. These long-term efforts include:

- A comprehensive update to the County Code;

- Implementation of new technologies to streamline the permit submittal, intake, and review processes; and
- Procurement and deployment of an updated inspection module.

These projects are critical to achieving lasting improvements and are discussed in the attached Workplan. The Comprehensive County Code and Technology Updates will require additional resources. In July, staff will begin development of individual project implementation plans including project charters, detailed project planning, scoping, alternatives analysis, team formation including roles and responsibilities, activities and milestones, risk mitigation and communication strategies, and resource identification.

### ***Environmental Health***

The Health Services Agency (HSA) Environmental Health Division (EH) was not a participant in the Assessment presented to the Board on March 25, 2025. However, the findings from the Assessment highlighted a clear nexus between EH services and development and building permit approval processes. The Assessment underscored the importance of coordination across permitting agencies to improve efficiency and customer experience. As a result of these findings, EH will be included in the next phase of process improvement efforts to ensure alignment with the broader goals established by the Board and to support a more integrated and effective permit review system.

Simultaneous with the Assessment, EH has been working to advance system and process improvements for their Land Use team and Onsite Wastewater Treatment System (OWTS) program, focusing on four priorities: staff training, workload efficiency, staff retention, and a new data management system (DMS). In preparation for the transition to a more modern DMS, a new tracker has been implemented to monitor the status of permits, serving as a bridge between the current and future DMS systems. Staff use the tracker to monitor active permits, send status letters, and address process bottlenecks. Public facing materials and information is being updated to align with the new DMS, which is on track to launch by late 2025.

To improve training, a Trainee Coordinator has elevated Registered Environmental Health Specialist success: since fall 2024, all six test-takers passed on their first attempt, including four from Land Use. Permit review capacity has expanded from three to six staff. Recruitment efforts have nearly filled all vacancies, and job classification updates are in development to reflect a trainee-based workforce.

EH anticipates that the system and process improvements underway, coupled with participation in the UPC process improvement initiative, will contribute significantly to more timely permit reviews and improved communications. The CEO will continue to work with EH to identify and implement new process improvements and incorporate their efforts into this Development Services Process Improvement Workplan. These activities are captured in Project 17 of the Workplan. Reorganization options will be part of that project.

### ***Stakeholder Meetings***

A second set of Santa Cruz County Building Permit Process Stakeholder Advisory Group Meetings was held on June 12, 2025. The first set of Advisory Group meetings occurred in November 2024. The advisory group includes front line County staff



involved in the building permit process and representatives of applicants (e.g. architects, permitting and entitlement professionals, etc.).

Baker Tilly facilitated both meetings with the purpose of generating ideas and solutions that improve the building permit process throughout the successive phases of pre-permit, intake, plan distribution/review, permit approval/issuance, inspection, and closeout. The June 12, 2025 meetings included presentations by Elissa Benson, Assistant County Executive Officer, Matt Machado, Deputy County Executive Officer/Director of Community Development and Infrastructure, and Jocelyn Drake, Assistant Director of Community Development and Infrastructure, on their appreciation of the advisory group's candid participation, support for improving the permitting process, and sharing of multiple examples of changes that have been put into place over the past five to six months. In response to recent changes made, the applicant representatives indicated they feel that the plan checking process has improved.

The remainder of the meetings included collaborative discussions regarding ideas for improvement and solutions for existing issues ranging from how to more efficiently facilitate review of plans triggered by change orders during construction and how to more effectively obtain help and answers to questions, to how to re-examine the assigned weightings within the structural modification worksheet for non-conforming structures and how to integrate the time-saving use of the Camino Online Permit Guide into the building permit process.

Other ideas, solutions, and suggestions emerged from the advisory group meeting, such as:

- Expand in-person and phone call counter hours to improve customer assistance;
- Increase number of plan checkers to benefit throughput;
- Reconsider the requirement of a red-stamped all-color plan set at job sites to a red-stamped all-color cover page and black and white plan set at job sites to save costs;
- Increase the number of tutorial videos to increase customer understanding of requirements;
- Create regular opportunities for staff and customers to interact (e.g. trainings, Director newsletter, open house, quarterly "What's New" email communication, etc.) to build relationships/rapport;
- Explore opportunity in ePlan to schedule phone, remote, or in-person appointments with plan checker to clarify comments and explore solutions;
- Improve the Unified Permit Center layout to make it more welcoming and elevate the image of the County, improve the customer experience, and facilitate the in-person collaboration of all development-related County staff;
- Require pre-construction meetings prior to permit issuance to increase the efficiency of certain types of projects; and
- Have all County staff voicemails go to emails to facilitate timely communications.

All participants of the advisory group vocalized their appreciation for the forum and noted how much they learned from County representatives and expressed interest in continuing to participate in future stakeholder meetings.

## **Next Steps**

Each of the identified Workplan projects involves a series of steps that must take place to achieve measurable results. For each project, a Project Manager will be identified who will be responsible for the work being completed and staff assigned for individual tasks. A detailed workplan and budget will be developed for each project. The Project Manager will manage timelines and report regularly on progress at a monthly check-in with the CEO, CDI Department Head, and HSA Department Head for the first six months with the frequency re-evaluated as needed. Each project will be tracked using a responsible, accountable, consulted, informed matrix (RACI), which will include the start and end dates for all identified tasks.

To improve communication and outreach on implementation progress, staff will be conducting outreach with updates and opportunities for input that will include the following:

- Planning Commission progress briefings
- Other Commission outreach as appropriate (Agricultural Policy Advisory Commission, Housing Advisory Commission, and Parks and Recreation Commission)
- Outreach and coordination with other jurisdictions
- Regular public social media communications
- Adaptation based on stakeholder-identified comments/concerns

CEO and CDI staff will report back to the Board no later than December 2025 on progress in each of the 30/60/90 Implementation and Board-Directed Implementation from the March 2025 Study Session and the future Workplan. The report back will address status as well as metrics measuring results, including review timeframes, number of reviews, and customer feedback survey results, as well as feedback from Stakeholder Meetings.

## **Financial Impact**

The total financial impact in terms of staff hours for the 30/60/90 Implementation, Board-Directed Implementation and Workplan has not been identified. Staff will continue to evaluate to determine the required investment for implementation over the next six months and will include an update in the December 2025 report back to the Board.

To date, the CEO has budgeted \$104,000 for the Baker Tilly contract for the Assessment and another \$86,000 for implementation in the Fiscal Year (FY) 2024-25 Proposed Budget. Any remaining budget not expended by June 30, 2025 will be rebudgeted as part of the FY 2025-26 Adopted Budget. It is expected that additional funding will be required for continued services from Baker Tilly for implementation.

The FY 2025-26 Proposed Budget for the CDI-Planning Division includes \$173,000 for two additional Building Permit Technicians as directed by the Board in the March 2025 Study Session. The budget also includes \$219,000 for additional consultant work to initiate selected work items yet to be determined. An additional \$200,000 is available in the Technology Fund to include \$100,000 for the Inspection Module and other technological improvements to support permit process streamlining.

Initial estimate for the Comprehensive County Code Update is \$600,000 over three years that will require additional budget actions. Additional budget requests will likely be

required for larger technological improvements, customer service training, and other specialized consulting services yet to be identified.

**Strategic Initiatives**

Equity Framework - Leadership, Operations & Services

Operational Plan - Operational Excellence

Climate Action - Government Operations

**Submitted By:**

Carlos J. Palacios, County Executive Officer

**Recommended By:**

Carlos J. Palacios, County Executive Officer

**Artificial Intelligence Acknowledgment:**

Artificial Intelligence (AI) did not significantly contribute to the development of this agenda item.