

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Planning and Building	(2) MEETING DATE 10/13/2015	(3) CONTACT/PHONE Jim Bergman, Director of Planning and Building / (805) 781-5708	
(4) SUBJECT Report on Department of Planning and Building Priorities. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board provide direction regarding any changes to the Department priorities as set by the Department.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT { } Consent { } Presentation { } Hearing (Time Est. ___) {X} Board Business (Time Est. <u>60 min.</u>)			
(11) EXECUTED DOCUMENTS { } Resolutions { } Contracts { } Ordinances {X} N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: { } 4/5 Vote Required {X} N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY { } N/A Date: <u>Sept, Oct, Nov 2008; Jan, Feb, Sept 2009; Jan, Aug, Nov 2010; Jan Mar, Jun, Oct, 2011; Feb, Oct 2012; Feb, Oct, Dec 2013; Mar, Oct 2014; Feb 2015</u>	
(17) ADMINISTRATIVE OFFICE REVIEW Lisa M. Howe			
(18) SUPERVISOR DISTRICT(S) All Districts			

County of San Luis Obispo



TO: Board of Supervisors
FROM: Jim Bergman, Director of Planning and Building
DATE: 10/13/2015
SUBJECT: Report on Department of Planning and Building Priorities. All Districts.

RECOMMENDATION

It is recommended that the Board provide direction regarding any changes to the Department priorities as set by the Department.

DISCUSSION

Background

Beginning in October of 2008, the Department of Planning and Building has been providing reports to the Board of Supervisors on Department workload and priorities. On February 17, 2015, the Department presented the latest comprehensive priority and workload update to the Board.

Four Guiding Department Priorities

As part of past actions, the Board has established four guiding priorities for the Department. These guiding priorities are used during preparation of the Department budget each fiscal year and to determine which projects are part of the "Priority" list.

- (1) Paying customers are not adversely affected;
- (2) Mandates are accomplished;
- (3) That the Department should focus on those items that forward the goals and the implementation of a Comprehensive County Energy Strategy; and
- (4) That the Department should focus on those items that forward the goals and the implementation of a County Economic Strategy.

Department Organization Update

External changes such as new regulations from the State including significantly more complex building codes and new storm water requirements, the recovering construction industry, and the complexity of the development process that is becoming ever more litigious and resource scarce has required the department to prepare for the future by embracing change, reflecting on our mission, reorganizing, and rethinking our focus.

Since the last priority and workload update, the Department has successfully been reorganized based upon major work functions and transitioned from a Director and Assistant Director model to a Director and two Deputy Director model. Additionally, as anticipated, the Department has seen the retirement of long tenured supervisors and has successfully filled these vacated positions with talented staff who are adjusting quickly to their new roles and responsibilities as well as coping with a large loss of institutional memory. See Attachment 3 for the Department Organization Chart.

The County has an adopted planning framework based on the concept of Strategic Growth that balances environmental

stewardship, fiscal responsibility of government programs and investments, understanding the needs of the private market in creating and sustaining a vibrant local economy through well planned private development, and by public investments in capital improvement projects. Implementation of the policies within the planning framework by the Department over months and years can have significant effects on keeping these important goals in balance. Working to make sure that all the broad goals are pursued in a balanced and fair manner is key to see the General Plan vision fulfilled. To that end, the Department has been working to bring focus to our critical missions and to avoid the department's resources going to less productive uses. This new focus is best seen by recent efforts to consolidate any action within the Department to support two main functions – "Permitting" and "Policies and Programs."

Permitting

Permitting is a key function in balancing the main goals of the Planning Framework which emphasizes strategic growth near existing infrastructure and away from sensitive resources. Permitting, if not efficiently implemented, can function as a pinch point that overemphasizes some goals which in turn can have a limiting effect on the use of private property and on the local economy. The ability of the department to efficiently and effectively move projects to a hearing, and then if approved, quickly getting them permitted for construction can have a significant and positive effect on the local economy. Another important result of focusing on permitting of new construction or major remodeling efforts is the fact that new buildings are much more efficient due to green building codes which assist in the goal of reducing greenhouse gas emissions. The importance of permitting cannot be overlooked.

High level priorities for "Permitting" in the next six month are:

- Continue efforts to efficiently and effectively move projects to decision makers;
- Encourage and support projects that seek to develop according to the General Plan;
- Refine project management with a focus to complete projects based upon realistic timeframes;
- Inject reasonableness and flexibility into the project review process whenever possible;
- Increase communication and collaboration between permitting staff and design professionals to gain mutual understanding of the new building codes and to design projects accordingly.
- Continue the process of replacing our outdated project tracking system to allow for better project management, workload distribution and to assist in making data driven decisions.

Policies and Programs

Policies and Programs is now a combination of long range planning, community development, energy programs, and most recently, water related efforts. Although on the surface these issues appear highly diverse, at their core they have a common mission – assist in the creation of achievable policies, develop effective programs, and when possible, acquire outside funds to create tangible improvements in the communities we serve.

The Planning and Building Department's Mission Statement is "Promoting the Wise Use of Land; Helping to Build Great Communities." Promoting the wise use of land is a common theme among planning departments, however an often overlooked aspect is actively participating in seeing the plan built. Plans are implemented by three methods: 1) informing people and investors about the plan, 2) regulating development to meet the plan, and 3) public infrastructure investment according to the plan. To date, the department mainly focuses on regulation. In order to transform a plan from a vision to reality it takes active work and cooperation among many interested parties. For a plan to be fulfilled and achieve the vision of a community whether that be new homes, an aquatic center, parks, restaurants, libraries, retail businesses, or hiking and biking trails, requires the investment of private and public funds. For private funds to be invested, a plan must be realistic and feasible from a marketing and operational perspective, economically achievable for private investors to purchase land and to construct improvements and buildings, and infrastructure must have adequate capacity or increased capacity must be readily achievable and economically feasible in a realistic timeframe.

High level priorities for "Policy and Programs" in the next six month are:

- Focus resources on time sensitive planning efforts including the Los Osos Community Plan and Habitat Conservation Plan;
- Continue to refine the project management system for CDBG, HOME, and Emergency Solutions Grants to meet more stringent HUD monitoring and to address taking on administration duties from partner cities.

- Explore a shift of long range planning from a plan making focus to plan implementation. This may include:
 - Increasing communication and collaboration with the Public Works Department to create a unified team for infrastructure planning, funding, and completion.
 - Developing strong relationships with CSD's, school districts, Chambers of Commerce, and service groups.
 - Developing a strategy to better position the department to compete for funds that can be used for physical improvements in our communities by the Public Works Department or CSD's.
 - Developing concepts to allow planning staff to be more present in the communities we serve.
 - Developing concepts to review existing community plans based upon economic feasibility and consider revising plans if necessary.

See Attachment 1 for a comprehensive list of projects and see Attachment 2 for a list of major development projects.

Completed Priority Items in the Last Six Months

The following items were completed since the February 2015 update.

- Renewable Energy Combining Designation and Related Ordinance Amendments for Implementation
- Resource Management System Biennial Report
- North County Service Center
- Complete Paso Robles Groundwater Basin (PRGWB) Urgency Ordinance Implementation
- Complete the Public Review Drafts of Various General Plan and Ordinance Amendments Relating to Water Demand and Supply

Remaining Top Priorities

Three major projects remain from the last priority report in February and are recommended to be completed and to be considered the highest priorities for the respective teams who are undertaking the work.

Complete the Draft Los Osos Habitat Conservation Plan (begin Fish and Wildlife agency review) and Complete the Los Osos Community Plan Update.

Status: In Progress. Consultation between agencies and County staff is occurring on the Habitat Conservation Plan and Environmental Impact Report/Environmental Assessment. Public review of the draft plan and EIR/EA is scheduled to be released in spring 2016. The Board authorized preparation of the Los Osos Community Plan update in December 2012. Initial public outreach for the community plan was conducted through LOCAC and a staff-prepared on-line community survey. A Public Review Draft Community Plan is now available for review at the Department offices, the Los Osos Library and on the Department's website. The plan is consistent and coordinated with the draft groundwater Basin Management Plan and the draft Habitat Conservation Plan. A series of community outreach meetings to unveil the plan was conducted in the Spring of 2015. A consultant was selected and has begun to prepare an Environmental Impact Report for the Community Plan.

Complete Workforce Housing Policy Amendments

Status: In Progress. Amendment by the County of San Luis Obispo of Title 22 of the County Code, and the Land Use Ordinance, to incorporate a Workforce Housing Ordinance. The requested modifications include the creation of a pilot program encouraging the development of housing that is affordable to San Luis Obispo County's workforce. This is accomplished through reduced minimum lot sizes and flexible development criteria for standard subdivisions. Workforce housing subdivisions are meant to facilitate the creation of small fee-simple lots to accommodate infill housing within existing communities. Workforce housing subdivisions would be a development tool available in Residential Single-Family or Residential Multi-Family land use categories within the Inland areas of the County. In addition to the ordinance amendments, this program will include Workforce Housing Design Guidelines to guide site planning, building design, and landscape/outdoor areas for workforce housing subdivisions. A public review draft of the ordinance amendments and guidelines are scheduled for release in October 2015 with a Planning Commission hearing anticipated in December 2015.

Update the San Miguel Community Plan.

Status: In Progress. Following a successful community outreach process and preparation of an administrative draft plan by the City and Regional Planning Department at Cal Poly, the Board, on November 1, 2011, authorized the community plan update. Grant funding was received to complete technical background reports most of which are complete. A public review draft of the Community Plan update was released in June 2013. The preparation of an Environmental Impact Report is underway. The Draft Environmental Impact Report and Public Hearing Draft community plan are expected to be released before the end of 2015. This comprehensive community-based plan will help shape new growth and development, enhance the quality of life, and bring vitality to San Miguel.

New Recommended Department Priorities

The following priorities are recommended based upon various needs such as new legislative or legal mandates, a desire to improve internal processes in order to improve department services, and to continue to implement or update the General Plan. The recommended priorities attempt to maximize work by carefully allocating projects throughout the department. Due to this distribution, all recommended priorities are achievable although each has their own time frame that may extend through future priority updates.

Mandates

- Sign Ordinance Update – The United States Supreme Court recently issued a ruling that has wide implications on existing sign ordinances throughout the nation. The issue for the Supreme Court was whether an ordinance restricting the size, number, duration, and location of temporary directional signs violate the Free Speech Clause of the First Amendment or the Equal Protection Clause of the Fourteenth Amendment. Our existing sign ordinance applies different rules to different categories of signs based on content, which the Supreme Court now generally prohibits, making our code vulnerable to a challenge. Many counties and cities are evaluating a revision to their ordinances.

Who: Current Planning Team, County Counsel, and a specialized consultant

Funding: Funding for a specialized consultant from existing department budget allocated for consultant services.

- State Model Water Efficient Landscape Ordinance – Executive Order B-29-15 issued by Governor Brown requires that the State Model Water Efficient Landscape be adopted by local governments and a report should be generated on the implementation and enforcement of local ordinances by December 31, 2015. This Executive Order requires local governments to adopt the State Model Water Efficient Ordinance or a stricter ordinance by December 1, 2015. Staff will bring forward the State Model Water Efficient Landscape Ordinance for adoption before the December deadline and will make recommendations whether to develop an Ordinance specially tailored for the County of San Luis Obispo. Bringing forward the State Model Ordinance can be accomplished by existing Planning staff.

Who: Water Team, Building Team

Funding: No additional funding needed for consideration of adopts of the State Model Water Efficient Landscape Ordinance. Additional non-department funding may be needed in the future if the Board wishes to develop a County specific ordinance. The requirements of the State Model Water Efficient Landscape Ordinance will expand inspections by building division personnel in the future. Funds for this increased cost will appear in future budget requests.

- Commercial Medical Marijuana Land Uses – At the end of the last legislative session, the State Legislature passed three bills that address Commercial Medical Marijuana. These measures expressly allow Counties and Cities to regulate or completely prohibit land uses related to commercial medical marijuana cultivation, manufacturing, laboratory testing, dispensaries, and deliveries. However, Counties and Cities must act by March 1, 2016 or the State will become the sole licensing authority for these uses. Staff believes it is imperative to develop and put in place policy prior to the deadline. Additionally, the new laws also affect many county departments such as Agricultural Commissioner, Health, and the Tax Collector as it addresses issues such as public health, pesticide use and tax collection. We envision being part of a larger team to address the new legislation comprehensively but due to the deadline imposed in the legislation, the land use aspect will need to be handled quickly.

Who: Current Planning Team with close coordination with other departments including County Counsel,

Agricultural Commissioner, Public Health, and the Tax Collector.

Funding: No additional funding needed.

Process Improvement

- Permit Tracking System - The Department submitted a budget augmentation request as part of our FY 2015-16 traditional budget. The request was to provide funding to replace the Department's aging permit tracking system software. Purchased in 1997, the software is utilized as a permit issuance and tracking system for all land based applications and permits processed by the Planning & Building Department. The funding request was approved and the Department established that the project would be initiated in July of 2015 with requests for proposals, followed by vendor selection and contract negotiation throughout the Fall and Winter of 2015. It is anticipated that the Board will be presented a contract for approval prior to the end of calendar 2015. After the vendor selection and contract is complete, the Department has established a 12 month implementation plan to convert and migrate to the new system. The project is on schedule.

Who: Cross Department team with close coordination with Information Technology Department

Funding: No additional funding needed.

- Creation of an Inland Vacation Rental Ordinance – Currently the Inland Land Use Ordinance does not expressly allow or prohibit vacation rentals. To date vacation rentals have not been considered a regulated land use but have been required to obtain a business license and pay Transient Occupancy Tax. Planning staff have received a large number of complaints from throughout the county due to the impacts to neighbors from renters holding events on the property. Staff recommends drafting policy for consideration that will prohibit or significantly reduce the ability of events to be held in conjunction of vacation rentals.

Who: Current Planning Team with close coordination with County Counsel.

Funding: No additional funding needed.

- CEQA Process Improvements – Staff would like to begin the process for investigating refining and clarifying the County's CEQA process including considering updating our CEQA Guidelines, our process in selecting consultants, document preparation, consultation with applicants during the document creation process and investigating creating a document indicating thresholds of significance of environmental impacts.

Who: Long Range and Current Planning Teams

Funding: No additional funding needed for exploration. After staff creates a recommended action plan a funding request could be made during an appropriate budget process if needed.

- Development of a Code Enforcement Strategic Plan – Code Enforcement is a key participant in the County meeting its vision statement of a safe, healthy, livable, prosperous, and a well governed community. The Code Enforcement team is made up of 7 F.T.E's (two of which are currently vacant) to cover over 3,400 square miles of area. Land use and building violations range from critical life safety situations to small disagreements between neighbors. Staff recommends that taking the time to create a Code Enforcement Strategic Plan can help to hear from communities throughout the county, better understand new issues, prioritize cases and resources, establish practical strategies and programs, and identify future needs.

Who: Code Enforcement and a specialized consultant.

Funding: Funding for a specialized consultant from existing department budget allocated for consultant services.

General Plan Maintenance

- Community Plan Update – Since Long Range planning staff is nearing completion of the San Miguel Community Plan, there will be staff resources available to manage a community plan update. Residents of Avila Beach have expressed a desire and need for the Avila Beach Community Plan to be updated due to the changed conditions since the Town was redeveloped and due to newly proposed developments. Updating a community plan is a major endeavor that will require dedication of planning and building staff as well as the assistance from a consultant. Staff anticipates a potential cost of \$750,000 and four years to complete the project which would include an Environmental Impact Report. If this project is an acceptable priority, staff will return to the Board with a project outline and more precise cost estimate for consideration and direction.

Who: Long Range Planning Team, various departments, and a specialized consultant.

Funding: After staff creates a recommended action plan a funding request could be made during an appropriate budget process.

Summary

In addition to carrying out the core mandated duties of the department which includes many complicated building and planning permit applications, staff continues to work to develop policies addressing new legislative or legal mandates, and as directed by the Board, to implement the various elements of the General Plan or to address community needs. Timing of completion is based on the availability of staff resources, the need to complete mandated programs and continuing to provide responsive service to our customers who are processing applications for permits.

In order to complete the items that are on the Department's workload tables and on the Priority List, all staff as currently allocated under the Department's Position Allocation List (PAL), including the additional limited term positions. All staff, including vacancies, are fully allocated to projects and programs on the Priority List.

Currently the Department estimates that in order to complete the revenue generating items on Table 1, 45.5 FTE (full time equivalent) positions are needed. The mandated and budgeted programs on Tables 2 and 3 require an approximate additional 58 FTE positions. The Department currently has 103.5 FTE positions on the Position Allocation List (PAL) and at this time, seven of these positions are vacant but are actively being recruited (this includes 6 limited term positions to back fill staff working on our permit tracking replacement project).

The Planning and Building Department will continue to provide updates to your Board relative to the Department's priorities and progress towards completion of our assigned workload. The next update will be in February 2016.

OTHER AGENCY INVOLVEMENT/IMPACT

The Department regularly coordinates with County Counsel, Public Works, County Parks, Agricultural Department, Environmental Health, Air Pollution Control District, Local Agency Formation Commission, San Luis Obispo Council of Governments, Airport Land Use Commission, Cal Trans, Cal Fire, and California Coastal Commission. Continued collaboration and coordination between these agencies and others will occur as the Department strives to continuously improve.

FINANCIAL CONSIDERATIONS

Completion of programs that are not revenue-offset requires General Fund support. The level of General Fund support is determined each fiscal year through the Department's approved budget. In the proposed budget for FY 2015-16, revenues were estimated at \$7,435,584, expenditures at \$13,332,401 and General Fund support at \$5,896,897.

RESULTS

The discussion with the Board will provide more clarity about the overall workload, priority of workload items and specific programs for the Department to focus on FY 2015-16 and looking ahead at budgeting for FY 2016-17, consistent with the countywide goal of a Well-Governed Community.

ATTACHMENTS

1. Attachment 1 - Priority List Tables 1-6_Oct 2015
2. Attachment 2 - Major Development Projects - Oct 2015
3. Attachment 3 - Planning and Building Org Chart Oct 2015