

**JEFFERSON COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA REQUEST

TO: Board of County Commissioners (BoCC)
Mark McCauley, County Administrator

FROM: Josh D. Peters, AICP, Community Development Director
A. George Terry, Assistant Planner

DATE: January 8, 2024

RE: Site Development Review (SDR) Milestone Report

STATEMENT OF ISSUE:

In October 2022, a one-year development moratorium expired in conjunction with adoption by ordinance of development regulations that established a new Site Development Review (SDR) program that included Legal Lot of Record (LLOR) Determination and buildability analysis as a prerequisite to applying for development permits.

The Department of Community Development (DCD) has summarized the status of the SDR program in the form of milestone report (attached).

ANALYSIS:

Implementation of the SDR program has presented a number of challenges, many of which have been overcome with persistent effort. DCD is pleased to present to the Board a bulleted summary of what's happened to date, where we stand, and where we plan to be shortly. A principal objective is to eliminate the SDR application backlog that formed in late 2022; we believe that we are close to meeting that objective. DCD appreciates ongoing support from the Board.

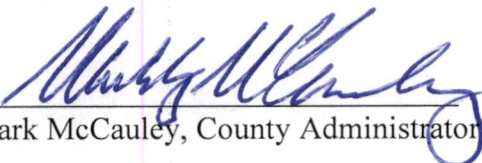
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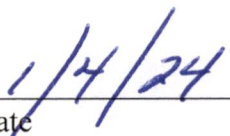
There has been a cost to the General Fund to reducing the SDR application backlog in that expenses for consultant services have exceeded associated permit revenue. DCD considers this a one-time investment and anticipates things "going back to normal" in the first quarter of 2024. Refer to the milestone report for detail.

RECOMMENDATION:

Review the milestone report and engage in discussion with staff.

REVIEWED BY:


Mark McCauley, County Administrator


Date

Site Development Review (SDR) Status Report

January 3, 2024

Background

- In conjunction with the expiration of a year-long development moratorium, Jefferson County adopted an ordinance on October 3, 2022 (effective October 4), which established a new Site Development Review (SDR) program that includes Legal Lot of Record (LLOR) Determination. An SDR is a Type I permit in the Unified Development Code (UDC) and a prerequisite to apply for development permits, such as septic or building permit. For a variety of reasons (not elucidated here), a substantial queue of SDR applications formed within weeks that has remained challenging ever since for applicants and Department of Community Development (DCD) staff alike.
- Following a series of events in late 2022 and the first half of 2023—including a planned transition from one permit database system to another, significant staff turnover at DCD, and a department reorganization—Jefferson County contracted with Atwell, LLC on August 28, 2023 for development review services that would supplement DCD's in-house capacity. The initial emphasis of the Atwell scope of work has been to address the SDR application backlog.

Status & Outlook

- Atwell Associate Director Andy McAndrews provided DCD a milestone report on December 27, 2023 to document work accomplished on the SDR project at year's end and to forecast the first quarter of 2024. The report included a spreadsheet with historical and anticipated data. This status report supplements the information provided by the consultant, provides a snapshot of our progress to date, and outlines what to expect as we approach the point where SDR reviews are caught up and DCD could offer applicants a review timeline consistent with what was originally envisioned with launch of the SDR program in October 2022.
- Based on what's been accomplished to date and what we anticipate being accomplished in the coming months, the current estimate for eliminating the SDR backlog is by the end of the first quarter of 2024. In this context, a working definition of "eliminate the SDR backlog" is a state in which a consistent review timeline could be maintained for future applicants. Aside from the set of previously identified problematic or delayed SDRs, DCD and Atwell are currently reviewing SDRs that were applied for in October and November 2023. This is already a welcome change from reviewing applications submitted 4-6 months prior, which was the average case in early to mid-2023.

Process Improvements

- The following are measures DCD has or intends to put in place to help prevent future SDR backlogs and to improve review process efficiency and transparency:
 - Institution of formal implementation policy that establishes a streamlined standard operating procedure (SOP) for staff review of SDRs, including LLOR Determination
 - Partial over-the-counter review at time of application submission
 - Varying types of SDR applications and products (i.e., level of review) based on existing and proposed development
 - Enhanced DCD development review capacity
 - Increased and maintained institutional knowledge and experience
 - Continued, near-term Atwell support
 - Improved interim internal case status tracking protocols during pursuit of full EnerGov permit software database deployment
 - Corresponding interim public-facing case tracker information

Consultant Services & Cost

- During contract negotiation, DCD estimated the budget for Atwell's services to be \$100,000, as reflected on the internal contract review cover sheet. However, the contact itself uses a task order model without a prescribed not-to-exceed value. One objective of this status report is to document the rationale for exceeding the budget as initially estimated.
- The total cost of Atwell's services between August 28 and December 31, 2023, was \$114,000. This expenditure has resulted in the completion of 185 SDRs between September and December 2023, with approximately 60 reviews remaining and assigned.
- Atwell's milestone report indicates an estimated total fee for SDR review (185 completed SDRs plus the remaining 60 to be completed) at \$152,672. Considering application fees collected, the rough additional cost to the county for working through the SDR backlog would total \$48,000.

[Note that the policy decision was made to issue completed SDRs without charging applicants for additional time and associated cost when those applications were submitted in 2022 or 2023 and took longer than anticipated to process.]
- The average cost of an SDR reviewed by Atwell between September and December 2023 was \$616, which is \$188 higher than the \$428 base fee collected by DCD at application.
- While the overall average cost of each SDR over this four-month period is higher than the base application fee, there are some important factors contributing to that number:
 - Roughly 20% of Atwell's budget has been for training and project management.

- Atwell's level of effort and overall time spent on each SDR has continued to decrease and they continue to trend quicker on the reviews with each batch.
 - A substantial number of SDRs fall into the category of more complex and problematic review.
 - An increasing number of Atwell completed SDRs have been invoiced for a cost closer to the base fee collected by DCD.
 - The Atwell estimate for remaining costs to complete the roughly 60 SDR assignments is conservative, using the average rate per SDR rather than a smaller rate in line with the base fee and the increasingly typical process time.
 - Approximately 30 of the remaining SDRs present challenges that will likely require greater effort than straightforward review.
- Significant DCD effort has gone toward the training, onboarding, and setup, as well as direct coordination with Atwell over the past four months. The Atwell provided data does not account for staff time for each SDR processed.
 - Entering 2024, Atwell's target for processing time (and the costs to DCD) for each remaining "typical" SDR is to be near the application fee rate of \$428.
 - Cost-recovery: While the problematic SDRs that will be assigned to Atwell later in January may not be appropriate to bill the additional hourly fee, Atwell and DCD project lead George Terry are confident that any new problematic SDR applications can be appropriately invoiced to the applicant. This would make future Atwell reviews a more direct "pass-through" cost, addressing DCD's budget deficit in late 2023 for third-party development review.
 - Atwell and George Terry have implemented or will be implementing several budget-preservation measures to help reduce costs in 2024:
 - We have reduced the weekly coordination meeting time to 30 minutes or less.
 - We have limited staff involvement at those meetings to only Amanda Hunt (Atwell project lead) and George Terry regularly.
 - Support staff will continue to be available on an as-needed basis.
 - Atwell anticipates a significant reduction in their general project management efforts going forward.
 - Now established tracking, routing, reviewing, and processing systems can be maximized.
 - DCD will continue to work toward standardized procedures and efficient implementation policies that reduce the work load represented by each SDR.

Ongoing Implementation

- The volume of SDR applications should level off in 2024, and with an eliminated backlog and growing staff support, future SDR backlogs should be able to be avoided.
- “Phase 2” of the SDR project presents several opportunities for Atwell to continue to assist DCD with identifying improvement opportunities in the SDR process.
- Projected opportunities for SDR process improvements include the following actions:
 - Generate better understanding of what differentiates a “typical” SDR from a “problematic” SDR so that there is greater clarity for applicants and reviewers.
 - Continue to refine the SDR application process to ensure that policy objectives are met while unnecessary burden to applicants is avoided.
 - Continue SDR review coordination between DCD and Environmental Public Health (EPH), focusing on the question of whether the property meets minimum land area requirements.
 - Finalize LLOR Determination criteria to resolve policy questions, solidify approach, and train new staff effectively.
 - Update and detail the online “frequently asked questions” sheet for the SDR program. Analyze and incorporate feedback from stakeholders, including:
 - Applicants and their representatives
 - County leadership
 - DCD leadership
 - DCD staff that process SDRs
 - EPH staff that process SDRs
 - Atwell SDR project staff
 - Community representatives
- A communication objective is to keep SDR applicants and other interested parties informed. DCD Planning Technician Emily Calkins is now the person best equipped to provide the most accurate SDR case numbers and to provide answers to case-specific SDR status questions, under the guidance of Permit Center Coordinator Erin Martin and other DCD staff versed in the SDR program.