



BOARD OF SUPERVISORS
AGENDA LETTER

Clerk of the Board of Supervisors
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Agenda Number:

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COUNTY OF SANTA BARBARA
CLERK OF THE
BOARD OF SUPERVISORS

Department Name: CEO/P&D
Department No.:
For Agenda Of: 10/13/20
Placement: Departmental
Estimated Time: 30 minutes
Continued Item: No
If Yes, date from:
Vote Required: Majority

20-00800

TO: Board of Supervisors
FROM: Department Director
Mona Miyasato, County Executive Office, CEO
Barney Melekian, County Executive Office, ACEO
Lisa Plowman, Planning & Development Director

Digitally signed by Mona Miyasato
Date: 2020.10.01 14:20:12 -07'00'

SUBJECT: KPMG Report on Cannabis Permitting Process

County Counsel Concurrence

As to form: N/A

Other Concurrence:

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

It is recommended that the Board of Supervisors:

- a) Receive a report by KPMG and staff on an Operational and Performance Review of the Cannabis Permitting Process
- b) Provide direction, as appropriate; and
- c) Find that the proposed actions do not constitute a "project" within the meaning of the California Environmental Quality Act, pursuant to 14 CCR 15378(b)(2), as it constitutes of general policy making.

Summary Text:

The Board approved the contract with KPMG for nine departments ("year one" or first phase) which was amended on October 1, 2019. The contract cost is \$1,235,000 for reviews of nine departments. Currently completed reviews include County Executive Office, General Services, Human Resources, Planning and Development, and the Public Defender. The review of Public Health is underway. The next three departments – Sheriff, District Attorney and Probation – are nearing completion and will be brought before the Board during this calendar year. The County contracted with KPMG in May 2019, following a competitive process, to conduct these operational and performance reviews as part of Renew '22. These were funded by the Board of Supervisors to provide a high-level assessment of departments,

identify strengths and opportunities, benchmark financial and operational areas with similar jurisdictions.

The review of the Cannabis Permitting Process was added on to the CEO and Planning & Development reviews conducted by KPMG. The purpose of the review is to identify areas where service delivery, efficiency, and effectiveness can be improved. KPMG's report "Improving Performance to Better Serve our County Residents: Process Mapping and Analysis of the Cannabis Permitting Process" is attached along with the Executive Summary. In addition, the CEO's office and the Planning & Development Department's response and implementation timeline is also attached.

It should be noted that many of KPMG's recommendations will support the both the CEO's Office and Planning & Development in achieving Renew 2022 Countywide Big Picture Goals. These goals include migrating County services online and leadership development and training.

Overview of the Permit Process:

The Cannabis permitting process involves the approval and issuance of a use permit, which is under the purview of the Planning & Development Department and the issuance of business license, which is under the purview of the CEO's office. Planning & Development responsibilities include reviewing use permits applications, conducting environmental review, and coordinating with reviewing departments. The CEO's office is responsible for reviewing the business license applications for cultivation, annual renewal of business licenses, reviewing applications for retail cannabis operations, coordination with reviewing departments, and they are the point of contact with the State on cannabis issues.

Overview of KPMG Recommendations:

In brief summary, the report identifies seven recommendations with four recommendations that apply to both departments, one recommendation that applies solely to P&D, and two recommendations that apply solely to the CEO's office. The recommendations can be divided into two categories: process improvements and technological improvements. These recommendations are summarized below and are discussed more fully in the attached response and implementation table.

1. Process Improvements

There are six recommendations that are geared toward the improvement of existing cannabis permitting processes. The recommendations involve improvements that relate to:

- The CEO's office and P&D should work together to ensure the permitting software, Accela, and workflows are complementary;
- Expand the existing Subdivision Development Review Committee's function and membership to ensure all cannabis applications get a thorough review from all reviewing departments early in the process;
- Encourage simultaneous review of use permits and business licenses;
- Improve the application review process for use permits;
- Strengthen business license fee procedures; and
- Modify the cannabis-based website (landing page) to provide a clearer path for applicants.

2. Technological Improvements

There is one recommendation that relates to technological improvements and also ties into Recommendation #2 of the report on P&D's operations. KPMG recommends that the P&D move to a more robust online permitting and digital plan review system under Accela and Bluebeam. Recommendation #3 of the cannabis report calls for the expansion of digital plan review for the cannabis permit process.

Performance Measures:

Performance measures will be developed in conjunction with the report recommendations and included in the budget to track progress and cost/benefit of the operational and performance reviews.

Fiscal and Facilities Impacts:

The KPMG contract has been budgeted in the current year budget. Most recommendations provided by KPMG do not involve additional resources or budget; and if implemented will likely result in efficiencies of cost, time savings or improved outcomes. Some areas of improvement, however may involve additional resources, which will be evaluated through the annual budget process. For most of those, KPMG suggests further evaluation and tracking before recommending additional staff or resources.

Attachments:

1. Presentation
2. KPMG Report: Improving Performance to Better Serve Our County Residents: Process Mapping and Analysis of the Cannabis Permitting Process
3. CEO's and Planning & Development's Response and Implementation Timeframe