



Improving performance to better serve our county residents

Process mapping and analysis of the cannabis
permitting process

September 2020

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Executive Summary

Scope and Methodology

The County of Santa Barbara asked KPMG to conduct an additional, and separate, analysis of the cannabis process within the Planning and Development department (the Department) including a process-mapping exercise that includes current and future states processes, with an accompanying data analysis of the current state of permits. In the scope of this amendment was both the land use permit, conditional use and development plan permit, and business licenses processes.

Over a four-month period, the KPMG team conducted the following activities:

- **More than 10 interviews** with leadership and staff involved in the cannabis processes to understand the organizational structure, roles and responsibilities, operations, and processes.
- **Analysis of data available, reports, and policy documents** to understand demands upon, and the operations of, the cannabis processes.

This report outlines the findings of the operations and performance review, and details recommendations for improvements that need to be made to the processes involved in the permitting and licensing of cannabis.





Executive Summary

Summary of Findings

The recommendations detailed in this report address specific pain points identified through interviews, observations, and data analysis of the cannabis permitting and licensing processes. Some of the recommendations will involve multidepartmental collaboration, and some will take time and planning to execute. All of the recommendations below are rooted in processes or procedures the departments are familiar with, or, in some cases, already employ for other types of functions. The recommendations below are grouped into three high-level recommendations:

- Integrate Accela into the business license process, and merge workflows of all stakeholder departments.
- Increase internal communication through routine, agenda-driven meetings with stakeholder departments.
- Develop and communicate customer expectations around responsiveness and content submission.

The combined outcome of executing these recommendations will be a consistent, measurable set of processes that helps position employees to successfully perform their function and allows for well-communicated steps and expectations for the customer.

The data analysis phase of this engagement identified a few items that were noteworthy and best categorized as “quick win” opportunities. These should receive action within the next 30 days.

- There are 34 permits that have not had activity in their case file for greater than 90 days and are at various stages of processing and review. All of those cases should be prioritized for review as to the reason for their inactivity.
- Noteworthy: Those permits are the ones that are currently listed as being in the “Planner Review” phase but flagged as “Revisions Required.” This means that the planner is waiting for a response from the customer regarding their permit. Pursuant to Planning and Development policy, these permits would qualify for an “inactive” designation and administratively closed.

After the implementation of the below recommendations, there must be consideration of the future state of cannabis in Santa Barbara County. Due to the acreage cap imposed via ordinance, there will come a time when the majority of the work performed will be for renewals, compliance, and

enforcement of approved cannabis operations. At that point, there should be consideration as to how to approach the following:

- Once the acreage cap has been reached, the County should determine if there should be a consolidated Cannabis Office. Below is a benchmark of counties in California and how they manage their cannabis permitting functions. It should be noted that those counties with consolidated departments only operate personal and medical cultivation and not commercial operations.

	Consolidated Cannabis department/division	Dispersed function
Santa Barbara County		
Sonoma County		
San Luis Obispo County		
Monterey County		
Solano County*		
Santa Cruz County*		
Marin County*		

*Only allows for personal or medical cultivation

Figure 1 – Source: KPMG LLP

- Develop a plan to conduct a cannabis-specific business license fee study to drive towards cost recovery. This can only be conducted after the recommendations in this report have been implemented; specifically, the technology and performance metric recommendations.

It should be acknowledged that during the course of the review the Department has initiated the implementation of a number of improvements, many of which align to the recommendations within the report. The implementation of the wider recommendations regarding data management and process efficiencies should allow the Department to produce data to track the outcome of the implementations.

Land Use Permit Current State

As stated below, the land use permit workflow is a well-run, concise set of processes and does not need a major overhaul in structure. Most of the pain points felt by all parties stem from the deviation from these processes, such as not flagging cases as inactive when the customer does not respond. The one notable exception to this is that if a land use permit is appealed, it is then run through the conditional use and development plan permit set of processes, which is noticeably more complicated. Additional complexities are added to the process due the number of appeals made for land use permits and conditional use permits, which serves to further extend timelines.

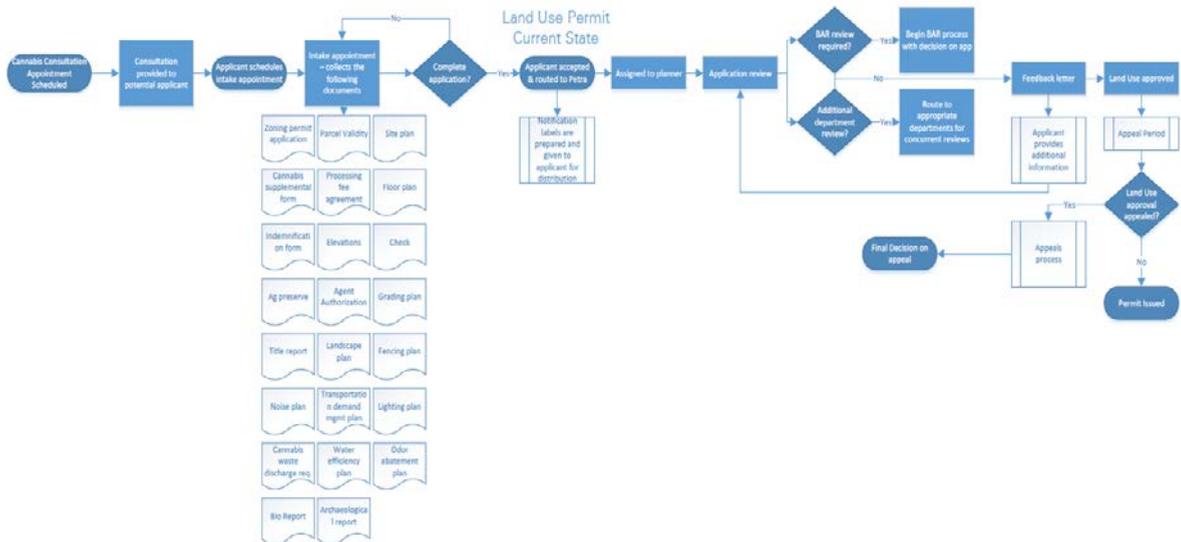


Figure 3 – Source: KPMG LLP

Conditional Use Permit and Development Plan Current State

By design and necessity, the conditional use and development plan permit process is a multidepartment collaborative set of processes. As with the land use permit process, in regard to cannabis, the pain points are most felt due to the deviation from these processes. An example, as mentioned above, is when inactive cases are not put through the appropriate administrative process.

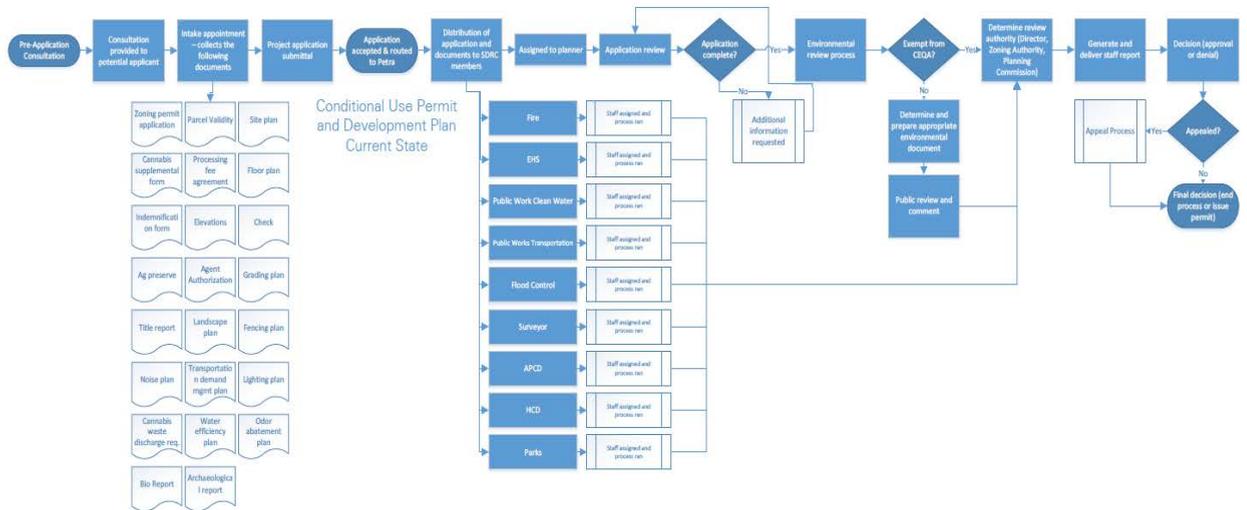


Figure 4 – Source: KPMG LLP

