

Our Mission: To set the standard for excellence in public service by providing consistent quality and timely permitting, plan review and inspection services both in building construction and zoning.

DEVELOPMENT FUND SUMMARY

The fee-supported units that comprise the CPHD Development Fund are the Zoning Division and the following sections of the Inspection Services Division: Construction Permit Administration Services, Construction Field Inspection Services, and Construction Plan Review Services.

SIGNIFICANT BUDGET HIGHLIGHTS

The FY 2018 proposed expenditure budget for the CPHD Development Fund is \$20,230,219, a two percent increase from the FY 2017 adopted budget. The FY 2018 proposed budget reflects:

- In support of the County Manager's strategic priorities, the County has adopted a One-Stop Arlington initiative that focuses on streamlining business processes and providing superior customer service. One-Stop Arlington projects include the replacement of the enterprise-wide permitting system, business process re-engineering, website improvements, creation of a customer service center, and enhanced case management.

↑ Personnel increases due to positions added to improve management of Zoning Counter Services and Zoning Administrative functions and to provide post-production support to One Stop Arlington projects which are detailed below. Increase also reflect the transfer in of a Communications Specialist II (\$147,770 1.0 FTE) from the Business Operations Division in the General Fund, employee salary increases, an increase in the County's cost for employee health insurance, and retirement contributions based on current actuarial projections. The position changes related to One Stop Arlington include the conversion of a limited term Assistant Permit Processing Manager to a full-time position and the following additions:

- Production Support Manager (\$148,500, 1.0 FTE)
- GIS Systems Administrator (\$155,997, 1.0 FTE)
- Two Help Desk Support positions required for the second half of FY 2018 (\$121,333, 2.0 FTEs)

The positions added to Zoning include:

- Addition of an Associate Planner position to serve as the Assistant Counter Services Manager in Zoning Administration (\$124,686, 1.0 FTE)
- Addition of a Principal Planner to serve as the Zoning Administrative Supervisor in Zoning Administration (\$141,730, 1.0 FTE)

↓ Non-personnel decreases due to the removal of one-time costs associated with the implementation of the business permitting system as part of the One-Stop Arlington Initiative (\$949,250), and adjustments to the annual expense for maintenance and replacement of County vehicles (\$13,928). The decrease is partially offset by non-personnel increases for adjustments to rent costs associated with the 10th floor office space (\$63,832) and indirect costs related to General fund operational support (\$62,134).

↑ Revenue increases due to the creation of a new permit type for Accessory Homestay home occupation at a rate of \$60 per application (\$29,452) and increase utilization of fund balance to cover projected expenses (\$282,662).

FINANCIAL SUMMARY

	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	% Change '17 to '18
Personnel	\$9,816,703	\$11,005,396	\$12,140,068	10%
Non-Personnel	6,167,360	8,912,709	8,090,151	-9%
Total Expenditures	15,984,063	19,918,105	20,230,219	2%
Fees	15,095,796	14,809,496	14,838,948	-
Utilization of Fund Balance *	888,267	5,108,609	5,391,271	6%
Total Revenues	15,984,063	19,918,105	20,230,219	2%
Permanent FTEs	93.00	97.00	104.00	
Temporary FTEs	-	-	-	
Total Authorized FTEs	93.00	97.00	104.00	

* - The change in fund balance is reflected in the following Fund Statement.

CPHD Development Fund
Fund Statement

	FY 2016 Actual	FY 2017 Adopted	FY 2017 Re-estimate	FY 2018 Proposed
ADJUSTED BALANCE, JULY 1				
Contingent Fund Reserve	\$4,312,894	\$5,975,431	\$4,795,219	\$5,938,374
Capital Reserve	14,066,508	11,969,942	12,695,916	6,567,678
TOTAL BALANCE	18,379,402	17,945,373	17,491,135	12,506,052
REVENUE				
Fees	15,095,796	14,809,496	14,809,496	14,838,948
TOTAL REVENUE	15,095,796	14,809,496	14,809,496	14,838,948
TOTAL REVENUE & BALANCE	33,475,198	32,754,869	32,300,631	27,345,000
EXPENSES				
Personnel	9,816,703	11,005,396	11,005,396	12,140,068
Non-personnel	6,167,360	8,912,709	8,789,183	8,090,151
TOTAL EXPENSES	15,984,063	19,918,105	19,794,579	20,230,219
BALANCE, JUNE 30	17,491,135	12,836,764	12,506,052	7,114,781
Contingent Fund Reserve	4,795,219	5,975,432	5,938,374	6,069,065
Capital Reserve	12,695,916	6,861,333	6,567,678	1,045,716
TOTAL BALANCE	\$17,491,135	\$12,836,764	\$12,506,052	\$7,114,781

Notes:

- Beginning in FY 2013, the CPHD Development Fund maintains a contingent reserve, which is a 30 percent balance of the total fiscal year's operating budget; this amount is equivalent to three to four months of annual operating expenditures. The CPHD Development Fund is not authorized to spend from this contingent without the County Board's approval.
- The Capital Reserve is a funding source for planned and unanticipated needs that exceed the amount available in the annual operating budget. The multi-year technology and one-time projects utilizing the Capital Reserve monies are: implementation of the County Manager's One-Stop Arlington initiative which includes replacement of the enterprise-wide permitting system and business process re-engineering; website improvements; creation of a customer service center enhanced case management; and enabling the submission of electronic plans through E-Plan Review.

PROGRAM MISSION

To interpret, enforce, and administer the Zoning Ordinance to ensure orderly development of Arlington County in accordance with the Zoning Ordinance’s legislative intent and County Board approvals.

SIGNIFICANT BUDGET CHANGES

- ↑ Personnel increases reflect the addition of two positions to improve management of Counter Services and Zoning administrative functions which are detailed below, employee salary increases, an increase in the County’s cost for employee health insurance, and retirement contributions based on current actuarial projections. Positions changes include the transfer in and reclassification of a Construction Code Manager from Construction Field Inspections Services into a Zoning Administrator position (\$180,113, 1.0 FTE) and the following additions:
 - Addition of an Associate Planner position to serve as the Assistant Counter Services Manager (\$124,686, 1.0 FTE)
 - Addition of a Principal Planner to serve as the Zoning Administrative Supervisor (\$141,730, 1.0 FTE)
- ↑ Non-personnel increases due to an increase in the rent associated with the 10th floor office space (\$14,654) offset by a decrease in the annual expense for maintenance and replacement of County vehicles (\$556).
- ↑ Revenues increase due to the addition of a new Homestay permit fee (\$29,452).
 - The revenue surplus in the Inspection Services Division (ISD), specifically in Construction Plan Review Services, is used to off-set the revenue shortfall for Zoning Administration.

PROGRAM FINANCIAL SUMMARY

	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	% Change '17 to '18
Personnel	\$22,575,975	\$2,632,939	\$3,206,226	22%
Non-Personnel	272,347	680,396	694,494	2%
Total Expenditures	2,530,322	3,313,335	3,900,720	18%
Fees	1,557,084	1,530,345	1,559,797	2%
Utilization of Fund Balance	-	-	-	-
Total Revenues	1,557,084	1,530,345	1,559,797	2%
Net Revenue Support	\$973,238	\$1,782,990	\$2,340,923	31%
Permanent FTEs	28.00	28.00	31.00	
Temporary FTEs	-	-	-	
Total Authorized FTEs	28.00	28.00	31.00	

PERFORMANCE MEASURES

Critical Measures	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average wait time per customer (minutes)	22.5	19	23	34	25	20
Number of building permits reviewed	7,323	6,031	5,481	7,260	7,500	7,500
Number of variance use permit applications processed	155	170	162	179	175	175
Number of walk-in customers served	11,219	9,142	9,911	14,302	12,000	10,000
Percentage of plans approved for final building permit within 180 days	50%	60%	69%	100%	100%	100%

Supporting Measures	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of Certificates of Occupancy processed	908	1,005	1,028	1,335	1,400	1,500
Percentage of permits reviewed as walk-throughs	47%	57%	31%	32%	30%	25%

- Wait time for customers increased in FY 2016 due to the significant increase in customer volume combined with staff vacancies and turnover among the Counter Services team. Wait times are anticipated to decrease in FY 2017 and FY 2018 due to stable employee retention and the implementation of the new permitting system which will allow customers to submit a wide variety of permits online.
- The number of building permits increased in FY 2016 and are expected to continually increase in FY 2017 and FY 2018 due to the amount of projects in the pipeline.
- Certificates of Occupancy are expected to increase in FY 2017 and FY 2018 due to actual and anticipated project starts of several large, multi-tenant, commercial and residential projects including Central Place and Ballston Quarter.
- The "walk-through" permit process allows an applicant to have their plan reviewed and a permit issued within one day. A typical "walk-through" includes mechanical changes, minor residential permits for additions, decks, sheds and accessory structures; and commercial permits for change in tenant spaces or a build-out of tenant space.
- The percentage of permits reviewed as walk-throughs is anticipated to decrease in FY 2017 and FY 2018 due to the implementation of the new permitting system which will allow customers to submit a wide variety of permits online.

CONSTRUCTION PERMIT ADMINISTRATION SERVICES

PROGRAM MISSION

To educate, inform, and support residents, contractors, and constituents with information and support regarding permits for construction activity within the County, and to ensure the Virginia Uniform Statewide Building Code (VUSBC) requirements are met.

SIGNIFICANT BUDGET CHANGES

- In support of the County Manager’s three strategic priorities (economic development, service delivery, and strategic planning), the County has adopted a One-Stop Arlington initiative that focuses on streamlining business processes and providing superior customer service. One-Stop Arlington projects include the replacement of the enterprise-wide permitting system, business process re-engineering, website improvements, creation of a customer service center, and enhanced case management.
- ↑ Personnel increases due to positions added to provide post-production support to One Stop Arlington which are detailed below, the transfer in of a Communications Specialist II (\$147,770 1.0 FTE) from the Business Operations Division in the General Fund, employee salary increases, an increase in the County’s cost for employee health insurance, and retirement contributions based on current actuarial projections. The positions changes related to One Stop Arlington projects include the conversion of a limited term Assistant Permit Processing Manager to a full-time position and the following additions:
 - Production Support Manager (\$148,500, 1.0 FTE)
 - GIS Systems Administrator (\$155,997, 1.0 FTE)
 - Two Help Desk Support positions fund for six months (\$121,333, 2.0 FTEs)
- ↓ Non-personnel decreases due to the removal of one-time costs associated with the implementation of the business permitting system as part of the One-Stop Arlington Initiative (\$949,250), partially offset by an increase in the rent associated with the 10th floor office space (\$63,832) and indirect costs (\$62,134).
- Inspection Services Division (ISD) revenues for FY 2016, FY 2017, and FY 2018 have been allocated to show full cost recovery in Construction Field Inspection Services and Construction Plan Review Services, with the remaining revenues allocated to Construction Permit Administration Services.

PROGRAM FINANCIAL SUMMARY

	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	% Change '17 to '18
Personnel	\$2,195,993	\$2,727,730	\$3,283,079	20%
Non-Personnel	4,906,669	7,683,744	6,860,460	-11%
Total Expenditures	7,102,662	10,411,474	10,143,539	-3%
Fees	7,187,633	7,085,855	7,093,191	-
Utilization of Fund Balance	888,267	5,108,609	5,391,271	6%
Total Revenues	8,075,900	12,194,464	12,484,462	2%
Permanent FTEs	20.00	23.00	28.00	
Temporary FTEs	-	-	-	
Total Authorized FTEs	20.00	23.00	28.00	

CONSTRUCTION PERMIT ADMINISTRATION SERVICES

PERFORMANCE MEASURES

Critical Measures	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Number of construction permits issued	9,460	12,797	15,159	15,874	13,000	13,000
Number of customers served at the customer kiosk	30,718	29,264	28,047	24,980	22,000	21,000
Square footage of permits (millions)	9	10.8	7.7	11.2	10	10

Supporting Measures	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Estimated building value	\$806 Million	\$853 Million	\$964 Million	\$1.4 Billion	\$1 Billion	\$1 Billion
Number of inspections scheduled through the Interactive Voice Response (IVR) System	17,865	13,532	14,705	15,713	14,000	12,000
Number of inspections scheduled through the Website	14,802	20,021	22,734	24,070	26,000	28,000

- The Inspection Services Division will introduce a new permitting system to its customers in FY 2018. It is anticipated that the number of customers served at the kiosk will decrease in the coming years.
- Estimated building value reflects the total estimated value of construction put on permits by applicants in a given year.
- It is anticipated that when the new permitting system is implemented, customers will start making more appointments on-line through the Website and less through the IVR system.

CONSTRUCTION FIELD INSPECTION SERVICES

PROGRAM MISSION

To safeguard public health, safety, and welfare by enforcing State-mandated construction codes by inspecting buildings under construction.

SIGNIFICANT BUDGET CHANGES

- ↑ Personnel increases due to employee salary increases, an increase in the County’s cost for employee health insurance, adjustments to retirement contributions based on current actuarial projections, and the transfer in of a Construction Plan Examiner I (\$120,020, 1.0 FTE) and Construction Plan Examiner II (\$125,186, 1.0 FTE) from Construction Plan Review Services, partially offset by a transfer out of a Construction Code Manager (\$180,113, 1.0 FTE) to the Zoning Division.
- ↓ Non-personnel decreases due to an adjustment to the annual expense for maintenance and replacement of County vehicles (\$20,729).
- Inspection Services Division (ISD) revenues for FY 2016, FY 2017, and FY 2018 have been allocated to show full cost recovery in Construction Field Inspection Services and Construction Plan Review Services, with the remaining revenues allocated to Construction Permit Administration Services.

PROGRAM FINANCIAL SUMMARY

	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	% Change '17 to '18
Personnel	\$2,754,457	\$2,662,674	\$2,843,499	7%
Non-Personnel	954,651	344,569	323,840	-6%
Total Expenditures	3,709,108	3,007,243	3,167,339	5%
Fees	3,709,108	3,007,243	3,167,339	5%
Total Revenues	3,709,108	3,007,243	3,167,339	5%
Permanent FTEs	25.00	24.00	25.00	
Temporary FTEs	-	-	-	
Total Authorized FTEs	25.00	24.00	25.00	

PERFORMANCE MEASURES

Critical Measures	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average number of daily inspections by inspector	8	11	9	7	10	10
Percent of all inspections completed on the day scheduled	100%	100%	99%	99%	100%	100%
Total number of inspections conducted	46,837	44,312	47,549	42,507	46,500	45,000

Supporting Measures	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Percent of inspections approved - residential and commercial	75%	72%	68%	69%	70%	70%

CONSTRUCTION FIELD INSPECTION SERVICES

- The average number of daily inspections by inspector decreased in FY 2016 due to minimal vacancies.
- The overall number of inspections conducted decreased in FY 2016 due to having a higher number of larger projects. These larger projects required longer review times, but did not result in more inspections overall.

CONSTRUCTION PLAN REVIEW SERVICES

PROGRAM MISSION

To ensure building construction documents meet adopted code requirements and support public health, safety and welfare.

SIGNIFICANT BUDGET CHANGES

- ↓ Personnel decreases due to the transfer of a Construction Plan Examiner I (\$120,020, 1.0 FTE) and Construction Plan Examiner II (\$125,186, 1.0 FTE) to Construction Field Inspection Services, partially offset by employee salary increases and an increase in the County’s cost for employee health insurance, and adjustments to retirement contributions based on current actuarial projections.
- ↑ Non-personnel increases due to an increase in the annual expense for maintenance and replacement of County vehicles (\$7,357).
- Inspection Services Division (ISD) revenues for FY 2016, FY 2017, and FY 2018 have been allocated to show full cost recovery in Construction Field Inspection Services and Construction Plan Review Services, with the remaining revenues allocated to Construction Permit Administration Services.

PROGRAM FINANCIAL SUMMARY

	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	% Change '17 to '18
Personnel	\$2,608,278	\$2,982,053	\$2,807,264	-6%
Non-Personnel	33,693	204,000	211,357	4%
Total Expenditures	2,641,971	3,186,053	3,018,621	-5%
Fees	2,641,971	3,186,053	3,018,621	-5%
Total Revenues	2,641,971	3,186,053	3,018,621	-5%
Permanent FTEs	20.00	22.00	20.00	
Temporary FTEs	-	-	-	
Total Authorized FTEs	20.00	22.00	20.00	

PERFORMANCE MEASURES

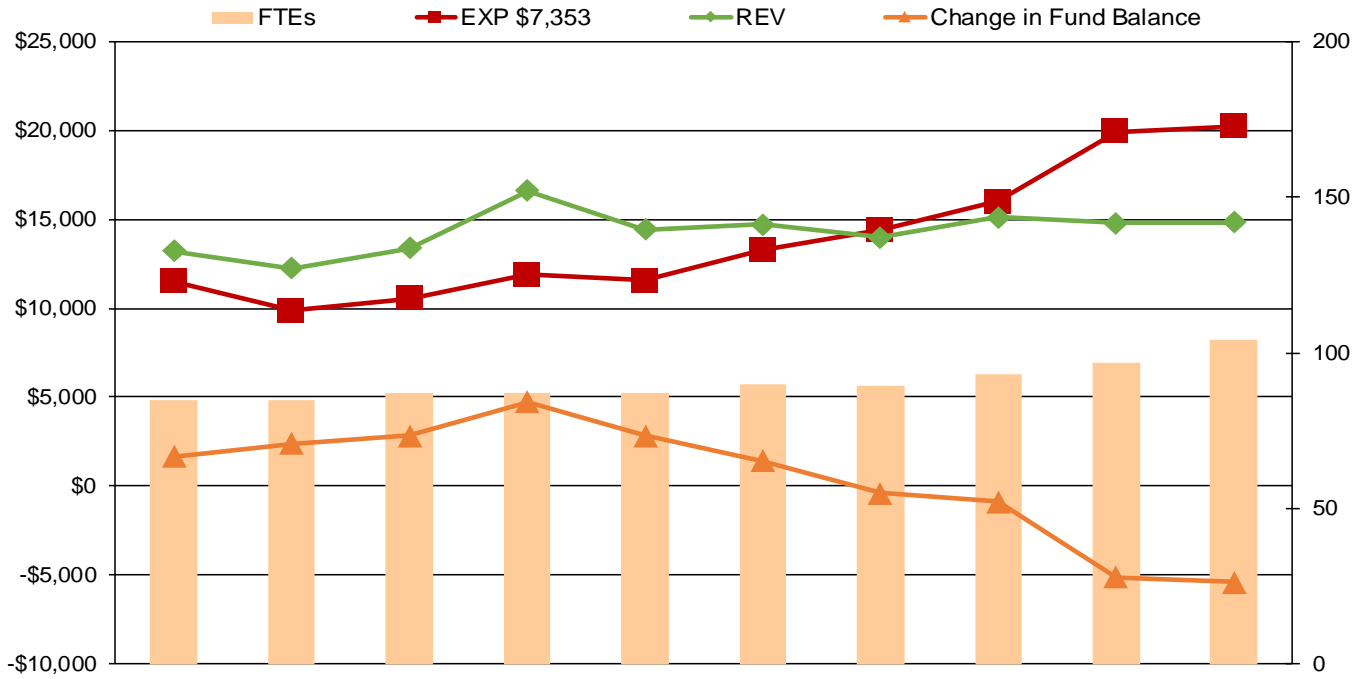
Critical Measures	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average number of days in ISD for first time plan review for Commercial Fast Track	1	1	1	1	1	1
Average number of days in ISD for first time plan review for new commercial buildings	22	35	27	20	21	21
Average number of days in ISD for first time plan review for new residential buildings	1	6	15	N/A	14	14
Average number of days in ISD to permit issuance for Commercial Fast Track	9	10	18	N/A	14	14
Average number of days in ISD to permit issuance for new commercial buildings	163	184	244	N/A	180	180
Average number of days in ISD to permit issuance for new residential buildings	56	65	88	N/A	50	50

CONSTRUCTION PLAN REVIEW SERVICES

- The average number of days in ISD for first time plan review for new commercial buildings decrease in FY 2016 due to the ePlan Review initiative that provided a better monitoring system.
- In FY 2016, a new ePlan review system was implemented. However, the reporting function was not implemented. Therefore, no actual data was collected in FY 2016.

**CPHD DEVELOPMENT FUND
TEN-YEAR HISTORY**

EXPENDITURE, REVENUE, AND FULL-TIME EQUIVALENT TRENDS



	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted Budget	FY 2018 Proposed Budget
\$ in 000s										
EXP	\$11,531	\$9,859	\$10,566	\$11,902	\$11,564	\$13,258	\$14,376	\$15,984	\$19,918	\$20,230
REV	\$13,204	\$12,237	\$13,387	\$16,627	\$14,415	\$14,695	\$13,990	\$15,095	\$14,809	\$14,839
Change in Fund Balance										
Balance	\$1,673	\$2,378	\$2,821	\$4,725	\$2,851	\$1,437	-\$386	-\$889	-\$5,109	-\$5,391
FTEs	85.00	85.00	87.00	87.00	87.00	90.00	89.50	93.00	97.00	104.00

Fiscal Year	Description	FTEs
FY 2009	▪ Transfer of FTEs from the CPHD General Fund to the CPHD Development Fund.	65.0
	▪ Twenty new positions (20.0 FTEs and \$1,991,806) were added that were originally approved by the County Board as an FY 2008 supplemental appropriation.	20.0
	▪ Non-personnel expenditures increased to reflect increased operating expenses to support the 20 new FTEs (\$98,046). In addition, increases were included to fund the following items: a lease for the space DCPHD Development Fund staff will occupy (\$880,000), various technology improvements in support of improved customer service (\$1,100,000), five additional vehicles and ongoing Auto Fund charge increases (\$149,526), and the move to new space, including new furniture (\$325,518). In addition, the CPHD Development Fund, like other enterprise funds in the County, pays a County overhead charge to the County's General Fund to cover the cost of support services, such as human resources, legal, and finance (\$1,285,704).	
	▪ Fee revenue included \$5,428,468 due to fee increases as of October 1, 2007. In addition, revenue increased to reflect a 3.3 percent increase in fee rates and a projected increase in permitting and construction activity (\$671,418).	
	▪ Upon creation of the CPHD Development Fund, ten temporary FTEs were converted to permanent FTEs.	
FY 2010	▪ Revenue increased by \$413,337 due to a 4.7 percent increase in fee rates and a projection of constant and sustainable permitting activity.	
FY 2011	▪ Revenue increased by \$191,460, a two percent increase, due to minor fee rate increases for Zoning fees and a projection of constant and sustainable permitting activity.	
	▪ Transferred two Community Code Inspector positions from the General Fund Community Code Enforcement Program (\$134,398) resulting in an increase of Zoning field inspectors from three to five.	2.0
FY 2012	▪ Revenue increased based on a projected increase in permitting activity. There are no fee increases for FY 2012.	
FY 2013	▪ Increased personnel costs to support the cost of a Fire Department Inspector position for site plan reviews (\$103,768). The FTE for the position is in the Fire Department.	
	▪ Increased payment to the County that covers internal services provided by County staff (\$241,900).	
	▪ Increased building rent for the 10th floor of Courthouse Plaza (\$43,630).	

Fiscal Year	Description	FTEs
	<ul style="list-style-type: none">▪ Revenue increases are based on a projected increase in permitting activity (\$569,300). There are no fee increases in FY 2013.	
FY 2014	<ul style="list-style-type: none">▪ Increased personnel costs due to the addition of a Sign Coordinator position (\$106,020), a Zoning Plan Reviewer position (\$84,169), and a Business Systems Analyst position (\$102,737).▪ Non-personnel expenditures decreased due to the following items: reduction in consultant services (\$210,000), elimination of the contingent funding (\$210,000), reduction in other non-personnel costs to reflect actual spending (\$167,000), partially offset by an increase in building rent for the 10th floor of Courthouse Plaza (\$130,588).▪ Revenue decreases are based on three fee reductions: the automation fee decreases from 10% to 5% (\$590,920), the permitting fees for residential construction and residential additions to one-and two-family buildings decreased by \$0.05 per square foot from \$0.54 to \$0.49 per square foot (\$79,071), and the minimum permit fee and application filing fee for new construction, alteration and addition to one-and two-family residential buildings decreased by \$25 from \$92 per application to \$57 per application (\$76,950). These three fee changes also reduced the amount of indirect cost revenue (\$23,404). The reduction in revenue from these fee changes is partially offset by a projected increase in permitting activity (\$570,000).	3.0
FY 2015	<ul style="list-style-type: none">▪ Transferred a Business Systems Analyst from the CPHD General Fund (\$72,110).▪ Converted an Elevator Inspector (\$106,910) as well as position reclassification savings (\$43,090) to contractual services for the elevator inspection program.▪ Increased building rent for the 10th floor of Courthouse Plaza (\$13,643).▪ Reduced annual expense for maintenance and replacement of County vehicles (\$927).	0.5 (1.0)
FY 2016	<ul style="list-style-type: none">▪ Transferred a Business Systems Analyst from the CPHD General Fund (\$72,739).▪ Added a Plan review (\$84,711), Records Technician (\$74,079), and a Zoning Planner (\$79,382).▪ Added \$83,000 for Zoning related expense in the Office of the County Attorney for an Assistant County Attorney.▪ Non-personnel expenses increased for consulting expenses (\$18,297) and for the ongoing costs of records management and scanning (\$225,000).▪ Revenue increased due to projected increase in permitting activity (\$1,202,541). There are no fee increases for FY 2016.	0.5 3.0

Fiscal Year	Description	FTEs
FY 2017	<ul style="list-style-type: none"><li data-bbox="285 411 1312 548">▪ Expense increases due to One-Stop Arlington including implementation of a new business permitting system, project management, system support, space reconfiguration, and the addition of four limited term positions (\$3,986,042).<li data-bbox="285 548 1312 621">▪ Non-personnel increased for adjustments to rent costs associated with the tenth floor office space (\$30,193).	4.0