

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 2014 proposed expenditure budget for the CPHD Development Fund is \$13,938,898, a one percent increase from the FY 2013 adopted budget. The FY 2014 proposed budget reflects:

- ↑ Personnel increases due to the addition of a new Sign Coordinator position (\$106,020, 1.0 FTE), the addition of one new Zoning Plan Reviewer (\$84,169, 1.0 FTE), the addition of a new Business Systems Analyst position to provide support for the new permitting system (\$102,737, 1.0 FTE), an increase in the payment for internal services provided by County staff (\$51,252), employee step increases, a three percent increase in the County's cost for employee health insurance, and adjustments to retirement contributions based on current actuarial projections.
- ↓ Non-personnel decreases due to a reduction in consultant services (\$210,000), the elimination of the contingent (\$207,911), and a reduction in other non-personnel costs that reflect actual spending (\$167,000), partially offset by an increase in building rent for the 10th floor of Courthouse Plaza (\$130,588) and an increase in the annual expense for the maintenance and replacement of County vehicles (\$41,559).
- ↓ 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 decreases 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 decreases by \$25 from \$92 per application to \$57 per application (\$76,950). These three fee changes also reduce 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).

FINANCIAL SUMMARY

	FY 2012 Actual	FY 2013 Adopted	FY 2014 Proposed	% Change '13 to '14
Personnel	\$7,551,128	\$8,543,149	\$9,087,511	6%
Non-Personnel	4,351,125	5,264,151	4,851,387	-8%
Total Expenditures	11,902,253	13,807,300	13,938,898	1%
Fees	16,627,632	13,807,300	13,606,955	-1%
Total Revenues	16,627,632	13,807,300	13,606,955	-1%
Change in Fund Balance	\$4,725,379	-	(\$331,943)	-
Permanent FTEs	87.00	87.00	90.00	
Temporary FTEs	-	-	-	
Total Authorized FTEs	87.00	87.00	90.00	

CPHD Development Fund
Fund Statement

	FY 2012 Actual	FY 2013 Adopted	FY 2013 Re-estimate	FY 2014 Proposed
ADJUSTED BALANCE, JULY 1				
Carryover Balance	\$9,753,193	-	-	-
Contingent Fund Reserve	-	\$4,142,190	\$4,142,190	\$4,181,669
Capital Reserve	-	5,611,003	10,336,382	10,296,903
TOTAL BALANCE	9,753,193	9,753,193	14,478,572	14,478,572
REVENUE				
Fees	16,627,632	13,807,300	13,807,300	13,606,955
TOTAL REVENUE	16,627,632	13,807,300	13,807,300	13,606,955
TOTAL REVENUE & BALANCE	26,380,825	23,560,493	28,285,872	28,085,527
EXPENSES				
Personnel	7,551,128	8,543,149	8,543,149	9,087,511
Non-personnel	4,351,125	5,264,151	5,264,151	4,851,387
TOTAL EXPENSES	11,902,253	13,807,300	13,807,300	13,938,898
BALANCE, JUNE 30	14,478,572	9,753,193	14,478,572	14,146,629
Contingent Fund Reserve	-	4,142,190	4,142,190	4,181,669
Capital Reserve	14,478,572	5,611,003	10,336,382	9,964,960
TOTAL BALANCE	\$14,478,572	\$9,753,193	\$14,478,572	\$14,146,629

Notes:

- Beginning in FY 2013, the CPHD Development Fund maintains a contingent reserve, which is a 30% balance of the total fiscal year's operating budget; this amount is equivalent to 3 to 4

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 Department currently anticipates the following multi-year technology and one-time projects may need to use Capital Reserve monies: replacement of the enterprise-wide permitting system (\$4.9 million one-time); scanning and indexing of thousands of architectural, engineering and trade documents and the procurement of equipment or outsourcing for enhancing records management (\$350,000 one-time and \$1 million on-going); engagement of a vendor with expertise in customer assessments to collect data on improving customer service delivery and provide customer service training (\$200,000 on-going); continued updates and consultant work on the Customer Paper Tracking System (CPTS) (\$50,000 one-time); and any needed furniture replacement or remodeling of the 10th floor service center to improve customer service.

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 increase due to employee step increases, a three percent increase in the County’s cost for employee health insurance, adjustments to retirement contributions based on current actuarial projections, the addition of a new Sign Coordinator position (\$106,020, 1.0 FTE), and the addition of one new Zoning Plan Reviewer (\$84,169, 1.0 FTE).
- ↑ Non-personnel expenses increase due to maintenance and replacement of County vehicles (\$4,698).
- ↓ Revenue decreases due to the reduction in the automation fee from 10% to 5% (\$68,319).
 - The Zoning Division revenue shortfall is partially offset by the surplus in Construction Permit Administration Services.

PROGRAM FINANCIAL SUMMARY

	FY 2012 Actual	FY 2013 Adopted	FY 2014 Proposed	% Change '13 to '14
Personnel	\$1,879,049	\$2,012,962	\$2,221,730	10%
Non-Personnel	447,346	419,621	424,319	1%
Total Expenditures	2,326,395	2,432,583	2,646,049	9%
Fees	1,630,100	1,505,300	1,436,981	-5%
Total Revenues	1,630,100	1,505,300	1,436,981	-5%
Change in Fund Balance	(\$696,295)	(\$927,283)	(\$1,209,068)	30%
Permanent FTEs	23.00	23.00	25.00	
Temporary FTEs	-	-	-	
Total Authorized FTEs	23.00	23.00	25.00	

PERFORMANCE MEASURES

Critical Measures	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate
Average wait time per customer (minutes)	N/A	25	19	20	15	10
Number of building permits reviewed	3,255	3,511	4,691	4,877	4,500	4,000
Number of variance use permit applications processed	102	104	162	132	150	150
Number of walk-in customers served	11,651	10,755	11,026	12,551	11,000	10,000
Percentage of plans approved for final building permit within 180 days	N/A	N/A	62%	71%	80%	80%

Supporting Measures	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate
Number of Certificates of Occupancy processed	1,000	919	976	1,103	1,100	1,000
Percentage of permits reviewed as walk-throughs	68%	67%	62%	51%	50%	50%

- The average wait time for customers is an area of focus for improvement and the goal is 10 minutes.
- The number of variance use permit applications processed is primarily for single family housing. This number has increased with the low interest rates available for home improvements.
- The number of walk-in customers served is expected to decrease in FY 2013 and FY 2014 as the new website offers better information and more services online.
- The percentage of plans approved within 180 days is an area of focus for improvement.
- The number of Certificates of Occupancy processed was down in FY 2010 because of the overall economic conditions during the year; it started to increase in FY 2011 and is expected to continue to increase.
- 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; residential permits for minor additions, decks, sheds and accessory structures; and commercial permits for change in tenant spaces or a build-out of tenant space.

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

- ↑ Personnel increases due to employee step increases, a three percent increase in the County's cost for employee health insurance, adjustments to retirement contributions based on current actuarial projects, the reallocation of a Design Engineer from Construction Field Inspections (\$92,212, 1.0 FTE), and the addition of a new Business Systems Analyst position to provide support for the new permitting system (\$102,737, 1.0 FTE).
- ↓ Non-personnel decreases due to the elimination of the contingent (\$207,911) and other non-personnel costs that reflect actual spending (\$77,000), partially offset by the annual expense for the building rent for the 10th floor of Courthouse Plaza (\$130,588).
- Inspection Services Division (ISD) revenues for FY 2012, FY 2013 and FY 2014 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. In addition, the revenue surplus offsets the revenue shortfall for Zoning Administration. Building permits have been broken out from one single category into building permits, demolition permits, elevator permits, and fire permits with an overall increase of \$660,000. Elevator certificate permitting activity is also expected to increase (\$100,000). These revenue increases are offset by a decrease in plumbing permits revenue (\$150,000) and mechanical permits revenue (\$40,000) as well as the decrease in fees as shown below.
- ↓ In addition to the changes outlined above, fee revenues in ISD decrease due to the implementation of three fee reductions: the automation fee decreases from 10% to 5% (\$522,601), the permitting fees for residential construction and residential additions to one- and two-family buildings decreases 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 decreases by \$25 from \$92 per application to \$57 per application (\$76,950). These three fee changes also reduce the amount of indirect cost revenue (\$23,404). As with other revenue changes, the fiscal impact of these fee changes are 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.

CONSTRUCTION PERMIT ADMINISTRATION SERVICES

PROGRAM FINANCIAL SUMMARY

	FY 2012 Actual	FY 2013 Adopted	FY 2014 Proposed	% Change '13 to '14
Personnel	\$1,336,536	\$1,474,520	\$1,636,570	11%
Non-Personnel	3,587,914	4,042,541	3,888,218	-4%
Total Expenditures	4,924,450	5,517,061	5,524,788	-
Fees	10,346,124	6,444,344	6,401,913	-1%
Total Revenues	10,346,124	6,444,344	6,401,913	-1%
Change in Fund Balance	\$5,421,674	\$927,283	\$877,125	-5%
Permanent FTEs	15.00	15.00	17.00	
Temporary FTEs	-	-	-	
Total Authorized FTEs	15.00	15.00	17.00	

PERFORMANCE MEASURES

Critical Measures	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate
Number of construction permits issued	12,192	10,085	12,093	9,036	10,200	10,200
Number of customers served at the customer kiosk	20,640	25,380	24,297	26,585	22,000	22,000
Square footage of permits (millions)	10	7	9	13	8	10

Supporting Measures	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate
Estimated building value (millions)	\$775	\$540	\$600	\$1,085	\$800	\$800
Number of inspections scheduled through the Interactive Voice Response (IVR) System	21,714	18,590	19,410	20,320	20,000	20,000
Number of inspections scheduled through the website	8,357	9,921	11,418	11,700	12,000	12,000

- The number of customers served at the customer kiosk is expected to decrease in FY 2013 and FY 2014, as the new website offers better information and more services online.
- In FY 2011 and FY 2012, the square footage of permits increased due to an increase in the number of permits issued for large buildings. Estimates for FY 2013 and FY 2014 are based on the longer-term trend of square footage per permit.
- Estimated building value reflects the total estimated construction value applicants put on permits in a given year.

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 step increases, a three percent increase in the County's cost for employee health insurance, and adjustments to retirement contributions based on current actuarial projections, partially offset by a decrease associated with the reallocation of a Design Engineer (\$92,212, 1.0 FTE) to Construction Permit Administration Services.
- ↑ Non-personnel increases due adjustments in the annual expense for the maintenance and replacement of County vehicles (\$36,861), partially offset by reductions in other non-personnel costs that reflect actual spending (\$30,000).
- Inspection Services Division (ISD) revenues for FY 2012, FY 2013 and FY 2014 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. In addition, the revenue surplus offsets the revenue shortfall for Zoning Administration. Building permits have been broken out from one single category into building permits, demolition permits, elevator permits, and fire permits with an overall increase of \$660,000. Elevator certificate permitting activity is also expected to increase \$100,000. These revenue increases are offset by a decrease in plumbing permits revenue (\$150,000) and mechanical permits revenue (\$40,000) as well as the decrease in fees as shown below.
- ↓ In addition to the changes outlined above, fee revenues in ISD decrease due to the implementation of three fee reductions: the automation fee decreases from 10% to 5% (\$522,601), the permitting fees for residential construction and residential additions to one- and two-family buildings decreases 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 decreases by \$25 from \$92 per application to \$57 per application (\$76,950). These three fee changes also reduce the amount of indirect cost revenue (\$23,404). As with other revenue changes, the fiscal impact of these fee changes are 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.

CONSTRUCTION FIELD INSPECTION SERVICES

PROGRAM FINANCIAL SUMMARY

	FY 2012 Actual	FY 2013 Adopted	FY 2014 Proposed	% Change '13 to '14
Personnel	\$2,351,113	\$2,695,205	\$2,722,646	1%
Non-Personnel	290,048	327,989	334,850	2%
Total Expenditures	2,641,161	3,023,194	3,057,496	1%
Fees	2,641,161	3,023,194	3,057,496	1%
Total Revenues	2,641,161	3,023,194	3,057,496	1%
Change in Fund Balance	-	-	-	-
Permanent FTEs	28.00	28.00	27.00	
Temporary FTEs	-	-	-	
Total Authorized FTEs	28.00	28.00	27.00	

PERFORMANCE MEASURES

Critical Measures	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate
Average number of daily inspections by inspector	9	8	9	7	7	7
Percent of all inspections completed on the day scheduled	98%	100%	100%	100%	100%	100%
Total number of inspections conducted	49,405	42,990	47,172	46,760	46,000	46,000

Supporting Measures	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate
Percent of inspections approved - residential and commercial combined	72%	71%	71%	78%	70%	70%

- The total number of inspections conducted increased in FY 2011 because vacant positions were filled.
- The varying level of percent of inspections approved reflects the fact that many residential and commercial inspections are not approved at a first inspection, because a project fails to meet requirements or the project is not ready to be inspected.

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 increase due to an increase in the payment for internal services provided by County staff (\$51,252), employee step increases, a three percent increase in the County's cost for employee health insurance, adjustments to retirement contributions based on current actuarial projections, and reclassification of positions within the division.
- ↓ Non-personnel decreases due to a reduction in consultant services funds (\$210,000) and other non-personnel costs that reflect actual spending (\$60,000).
- Inspection Services Division (ISD) revenues for FY 2012, FY 2013 and FY 2014 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. In addition, the revenue surplus off-sets the revenue shortfall for Zoning Administration. Building permits have been broken out from one single category into building permits, demolition permits, elevator permits, and fire permits with an overall increase of \$660,000. Elevator certificate permitting activity is also expected to increase \$100,000. These revenue increases are offset by a decrease in plumbing permits revenue (\$150,000) and mechanical permits revenue (\$40,000) as well as the decrease in fees as shown below.
- ↓ In addition to the changes outlined above, fee revenues in ISD decrease due to the implementation of three fee reductions: the automation fee decreases from 10% to 5% (\$522,601), the permitting fees for residential construction and residential additions to one- and two-family buildings decreases 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 decreases by \$25 from \$92 per application to \$57 per application (\$76,950). These three fee changes also reduce the amount of indirect cost revenue (\$23,404). As with other revenue changes, the fiscal impact of these fee changes are 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.

CONSTRUCTION PLAN REVIEW SERVICES

PROGRAM FINANCIAL SUMMARY

	FY 2012 Actual	FY 2013 Adopted	FY 2014 Proposed	% Change '13 to '14
Personnel	\$1,984,430	\$2,360,462	\$2,506,565	6%
Non-Personnel	25,817	474,000	204,000	-57%
Total Expenditures	2,010,247	2,834,462	2,710,565	-4%
Fees	2,010,247	2,834,462	2,710,565	-4%
Total Revenues	2,010,247	2,834,462	2,710,565	-4%
Change in Fund Balance	-	-	-	-
Permanent FTEs	21.00	21.00	21.00	
Temporary FTEs	-	-	-	
Total Authorized FTEs	21.00	21.00	21.00	

PERFORMANCE MEASURES

Critical Measures	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 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	70	45	23	21	70	70
Average number of days in ISD for first time plan review for new residential buildings	N/A	12	3	2	10	10
Average number of days in ISD to permit issuance for Commercial Fast Track	N/A	N/A	8	9	14	14
Average number of days in ISD to permit issuance for new commercial buildings	364	380	270	200	180	180
Average number of days in ISD to permit issuance for new residential buildings	68	62	42	57	30	30

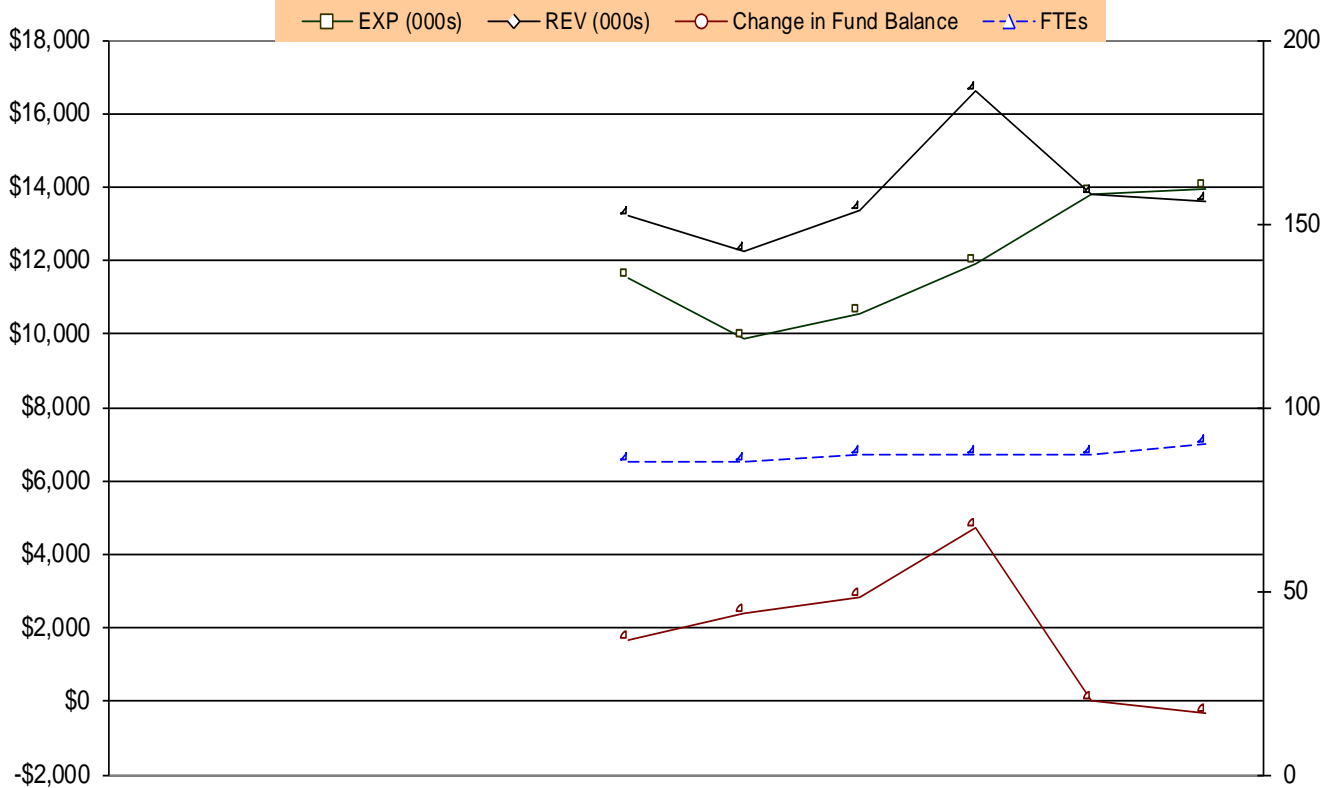
- FY 2013 and FY 2014 estimates for all measures are based on targets set by the County Board in 2007.
- The Commercial Fast Track service is a one day process from permit application to permit issuance for interior alterations in existing commercial buildings.
- The FY 2011 actual average number of days in ISD for first time plan review for new commercial and new residential buildings was low due to a relatively low number of projects to review. In FY 2013, the number of days is expected to increase due to a larger number of projects to review. Many projects that were put on hold in the past few

CONSTRUCTION PLAN REVIEW SERVICES

years have been restarted and an increase in site plan submissions will result in increased activity for ISD.

- Average number of days in ISD to permit issuance for new commercial buildings is higher in FYs 2009, 2010 and 2011, because many projects delayed getting permits due to the weak financial market conditions, which increased the total time for many projects. The number of days declined in FY 2012 and it is expected to further decline as the economy improves.

EXPENDITURE, REVENUE, AND FULL-TIME EQUIVALENT TRENDS



	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Adopted Budget	FY 2014 Proposed Budget
EXP (000s)					\$11,531	\$9,859	\$10,566	\$11,902	\$13,807	\$13,939
REV (000s)					\$13,204	\$12,237	\$13,387	\$16,627	\$13,807	\$13,607
Change in Fund Balance					\$1,673	\$2,378	\$2,821	\$4,725	-	(\$332)
FTEs					85.00	85.00	87.00	87.00	87.00	90.00

Note: Beginning in FY 2009, the Zoning Administration, Permit Processing, Code Compliance, and Plan Review Sections within the Department of Community Planning, Housing and Development (CPHD) became a separate fund, the CPHD Development Fund. At that time, 65 FTEs were transferred from the CPHD General Fund to the CPHD Development Fund.

Fiscal Year	Description	FTEs
FY 2009	<ul style="list-style-type: none"> ▪ Transfer of FTEs from the CPHD General Fund to the CPHD Development Fund. ▪ 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. ▪ 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. 	<p>65.0</p> <p>20.0</p>
FY 2010	<ul style="list-style-type: none"> ▪ 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	<ul style="list-style-type: none"> ▪ 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. 	<p>2.0</p>
FY 2012	<ul style="list-style-type: none"> ▪ Revenue increased based on a projected increase in permitting activity. There are no fee increases for FY 2012. 	
FY 2013	<ul style="list-style-type: none"> ▪ 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

- Revenue increases are based on a projected increase in permitting activity (\$569,300). There are no fee increases in FY 2013.