



*Building a Better and Safer Austin Together*

# FY2018-19 Budget Presentation

**\$63.6** million  
**PROPOSED OPERATING BUDGET**

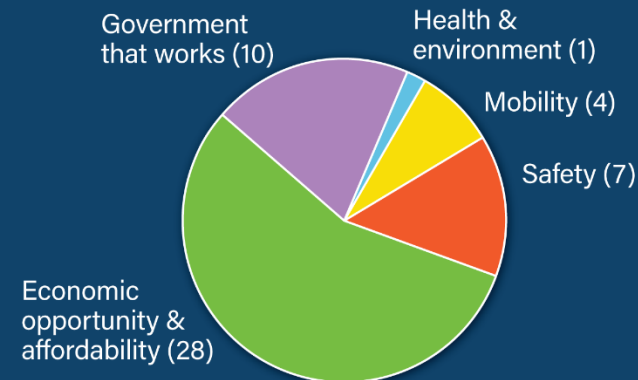
### SERVICE ENHANCEMENTS

- Support new technology solutions for online customers, expanded customer support, and training to encourage the use and adoption of new technologies.
- Increased city-wide resiliency to climate change and increased tree canopy cover.
- Increased performance in the development review and inspection processes.
- Critical support positions in finance and human resource functions, including safety oversight for all of DSD employees.

**NEW**  
**FULL-TIME POSITIONS**

**50**

### Positions By Strategic Outcome



#### Full Time Positions

49 Fee supported, 1 General Fund

**\$4,839,527**

#### Overtime

Additional funding

**\$267,000**

#### Temporary Positions

Additional funding

**\$349,948**

#### 3rd Party Services

Additional funding

**\$200,000**

SOURCE: GENERAL FUND



### Cost of Service Comparison

Residential addition of 1,000 sq.ft. or less in city limits

Fee	FY2018	FY2019 Fully Staffed	Difference
Residential Plan Review, Residential Building Inspections *, and Technology Surcharge	\$1,568	\$1,756	\$188
Residential Tree Plan Review, Residential Tree Inspection, and Technology Surcharge	\$863	\$1,007	\$144

\* Building Inspections include Building Permit, Electrical Permit, Mechanical Permit, Plumbing Permit, and Energy Permit.

### **Creates a Fund Balance Reserve**

- Mitigates against future downturns in the economy
- Long-term goal of six months reserve

### **Adds Transparency to Support 100% Cost Recovery Approach**

- Revenues from development fees pay for associated costs
- Transfers from other sources pay for costs that cannot be recouped by fees

### **Supports an Efficiency Mindset**

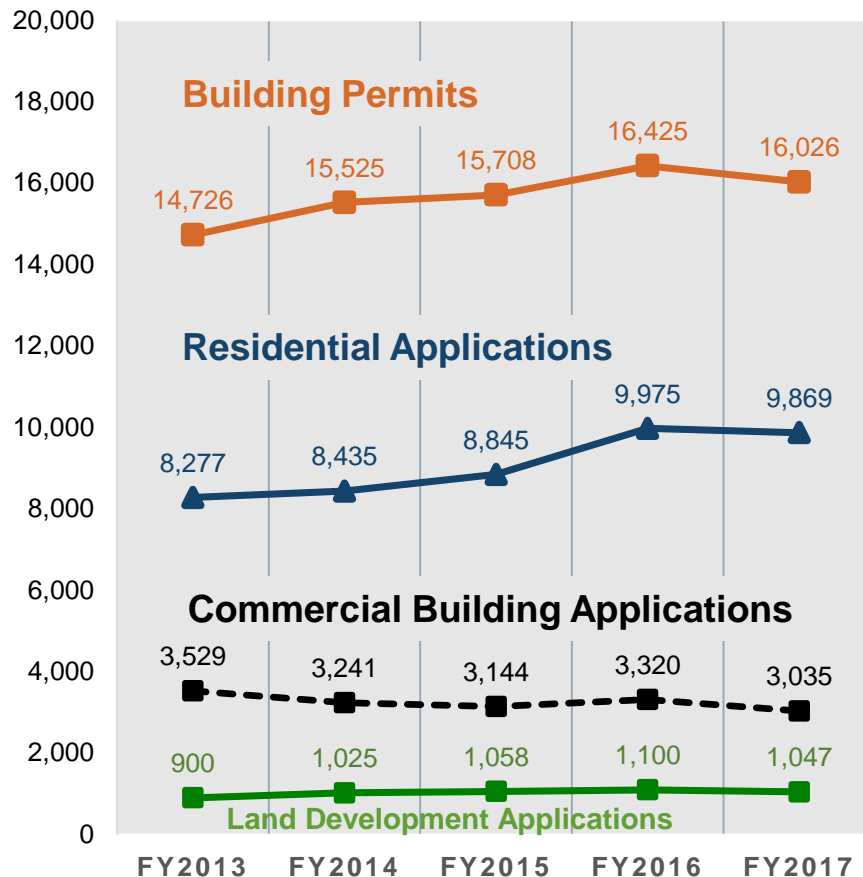
- Enterprise Funds are “business-like” operations
- Resource requests are tempered against economic forecasts

### **Implements Two Key Zucker Analysis Financial Recommendations**

- Separate accounting of revenues and expenses (#17)
- Establish a separate fund balance reserve (#19)

# Historical Volume Trends

## Permits, Applications, Inspections



### FY2013 – FY2017

- Large increases in building inspections and residential applications
- Decrease in commercial building applications and increase in size and complexity
- Overall, activity has been steady



# Organizational Resources

## Current FY 2017/18

<b>Full Time Employees</b> 362	<b>Temporary Employees</b> 63
<b>Overtime</b> \$518,000 Budgeted	<b>3<sup>rd</sup> Party Contract</b> \$465,000 Budgeted

### RISKS

#### Turnover of temporary hires

*Organizational knowledge loss*

#### Overutilization of overtime

*Impact on staff morale*

### IMPACT

- **Quality and timeliness of reviews**
  - **Customer service ratings**



**“Time the process takes to complete”**  
was ranked as most important  
with least satisfaction

Based on customer importance-satisfaction ratings.

Source: 2<sup>nd</sup> annual 2017 customer satisfaction poll

# Influential Factors

## Population, Jobs, and Development

### Forecasted Population and Job Growth

- Continuous population growth rates (2.11% low to 2.86% high for last seven years) <sup>1</sup>
- 2.5% to 1.25% annual population growth forecasted through 2025 and continued growth through 2045 <sup>1</sup>
- 35,700 metro jobs added in 12 months ending June 2018, a 3.4% growth rate <sup>2</sup>
- Metro jobs growth forecast: 30,900 in 2018 and 28,700 in 2019 <sup>2</sup>

### Apartments

- Occupancy rate down in 2017 (92.2%) compared to 2016 (93.8%) <sup>3</sup>
- Occupancy rate forecasted to increase 2019 (92.7%) through 2022 (95.0%) <sup>3</sup>
- 114,076 apartments needed in Austin metro by 2030 to meet demand <sup>4</sup>
  - Comparison: San Antonio metro forecasted to need 53,890 apartments by 2030

### Capital Projects, Major Development Areas

- Austin Independent School District \$1.05 Billion 2017 Bond Program
- City of Austin \$720 Million 2016 Mobility Bond Program and proposed \$925 Million 2018 Bond Program
- South Central Waterfront, Domain, Project Catalyst, Downtown High Rises (20), Plaza Saltillo, Colony Park, Goodnight Ranch



# Progress for Efficiencies

## Collaborative Effort with Industry Stakeholders



One Texas Center | 505 Barton Springs Road, Austin, Texas 78704 | Phone: 512.978.4000



### Status Update

City of Austin Development Services Department (DSD) held focus groups in January 2018 with some of our key industry stakeholders, including the Austin Board of Realtors, Home Builders Association of Greater Austin, Barton Custom Design, Turner Residential Realtors, and the Real Estate Council of Austin. Listed below are various recommendations focused on improved service delivery.

Rec. No.	Recommendation	Update	Start Date	Anticipated End Date
<b>GENERAL OVERALL DEPARTMENT: Rodney Gonzales, Director</b>				
1	Develop a customer service policy that includes (1) An "appeals process" to resolve conflicts at a lower level and for escalations in plan review and inspections (2) Honor previous reviewer's agreements for clearing comments (3) Better manage the communication between the customer and inspector	A committee of employees has been formed to create a purpose statement and put forth recommendation to improve customer service. Their suggestions will be reviewed next quarter with the ultimate goal of modifying performance reviews to include customer service criteria.	In Progress	Sep 2018

<b>COMMERCIAL AND RESIDENTIAL PLAN REVIEW: Denise Lucas, Deputy Director</b>				
2	Develop a "red-flagging" checklist and/or guideline	Creating an approved list of around 20 items for each discipline with acceptable issues that can be red-lined. Combined with training, this should foster more use of red-lining in lieu of rejection.	In Progress	Oct 2018

3	Make Industrial Waste and Health reviews concurrent with other reviews	DSD will confer and propose concurrent reviews with the relevant partner departments, Austin Water Utility and Austin Public Health.	In Progress	Aug 2018
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4	Develop prompts in AMANDA dialogue boxes (this is from applicant perspective). Stakeholders to help identify boxes that need prompts	The creation of applications has begun and some are in testing. We will launch and then follow up with stakeholders to gauge success and determine what additional changes are needed.	In Progress	Jul 2019
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5	Develop an improved Reviewer Comments Policy	Working to complete a canned comment library and will develop an SOP instructing staff in its use.	In Progress	Jan 2019
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6	Provide data on the number of cycles projects go through plus type of comments	Working on tracking mechanism for this under Land Use Reviews. Data has been collected for Commercial Plan Review and we are compiling the results to provide a list of the most common comments found on projects that went through at least 5 cycles. This analysis will not be replicated for Residential Plan Review at this time as over 90% of projects are approved by the second review cycle.	In Progress	Sep 2019
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7	Implement pre-review calls in advance of submittal for Building Plan Review and after submittal for site plan review	Investigating the resources required (IT, staffing, etc.) with the intention of launching a pilot version of this service free of cost. If successful we will calculate costs and include this in our menu of services for a fee.	In Progress	TBD
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8	Create Code Interpretation Online Database	In the process of cataloging historical interpretations, if successful, CodeText will alter City Code and may make some of these interpretations obsolete. This is tasked until after final adoption of CodeText. At that time we will link interpretations to current or revised code on a searchable database for public use.	In Progress	TBD
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9	Pursue and pilot new program to replace Certificate of Compliance Program (AKA Gold Card Program)	Hard copies of the kit are available at OTC. Staff typically like to have a conversation with the customer in addition to providing the document, but we will review content to ensure comprehensiveness so that it can be made available online.	In Progress	Feb 2019
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10	Publish an online list for garage conversions	Some resources for small projects are posted on the Permitting website, others are available as hard copies. We are investigating the resources needed to provide all documents online and will model these documents from the currently developing online garage conversion kit.	In Progress	TBD
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11	Create additional resources and assistance for small projects and publish online along with handouts	A review of customer service hours is being conducted across all divisions, with the goal of creating more consistency department wide to improve the customer experience. This recommendation will be included in that evaluation.	In Progress	TBD
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City of Austin | Status Update

7/25/2018

	Start Date	Anticipated End Date
Office hours of staff across the city to be executive	In Progress	Nov 2018

Completeness found on the DSD waiting to ensure	Complete	
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and on the site and will be	In Progress	Aug 2018
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have been using the process where integrating in the way they	Utility cuts and D/S complete. Will begin taps evaluation in November 2018	Jan 2019
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ongoing, payment, across	In Progress	TBD
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by PW, WFO, it would either this will not customer wait	Sep 2018	TBD
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possible to set the as it would	No Change Planned	
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on on the site The 1800 if the it will be	In Progress	TBD
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	In Progress	Sep 2018
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	Complete	
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	In Progress	Sep 2018
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	In Progress	Oct 2018
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	Complete	
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	In Progress	TBD
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	Complete	
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	In Progress	TBD
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	In Progress	Sep 2018
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	In Progress	Nov 2018
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	Start Date	Anticipated End Date
in our budget proposal to on each project. To encourage us investigating IT more consistent	In Progress	TBD

inspection details that other field contacting the feasibility of issues together.	In Progress	TBD
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estimated. Working with	In Progress	Oct 2018
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what we are doing has been	Complete	
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update electrical testing potential Building Criteria of rule posting, code amendment in City of Austin	In Progress	Dec 2018
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	In Progress	
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catalogued and online.	In Progress	Sep 2018
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in to publish.	In Progress	Sep 2018
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ently funded Exploring how departmental in other	Contingent on FY 19-20 budget approval	
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place to departmental identify choice will be	In Progress	TBD
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emented in	Aug 2018	Will evaluate in November 2018
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supervisors to formers and	Complete	Quality assurance will be ongoing
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computation it's	Sep 2019	Contingent on funding approval
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updated to	Complete	
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updated to	Complete	
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new Title are resume	In Progress	TBD
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	Complete	
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	In Progress	Sep 2018
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	In Progress	Nov 2018
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	Start Date	Anticipated End Date
ing implementation.	In Progress	Oct 2018

	Complete	
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	In Progress	4+ Years
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	In Progress	TBD
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	In Progress	Dec 2018
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inter all AMANDA status ing visibility to the topic plan review	In Progress	Will evaluate customer service impact at the end of August 2018
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ter the pond holder	In Progress	TBD
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	Complete	
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AD+C permanent issues with We are led them proprietary hours.	Complete	
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	In Progress	Nov 2018
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atin Water In Progress	In Progress	TBD
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ey in In Progress	In Progress	TBD
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are back. Data the	In Progress	TBD
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g and In Progress	In Progress	Nov 2018
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	Complete	
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	In Progress	TBD
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	In Progress	TBD
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persons that customers have saved and continue to use.



# Blueprint of Change

2015 - 2017

## FRAMING THE DEPARTMENT

### 6 Pillars of Success

1. Reduce Wait Time
2. Improve Quality Reviews
3. Coordinate Reviews with Partner Departments
4. Invest in Employees
5. Improve Customer Service
6. Enhance Technology

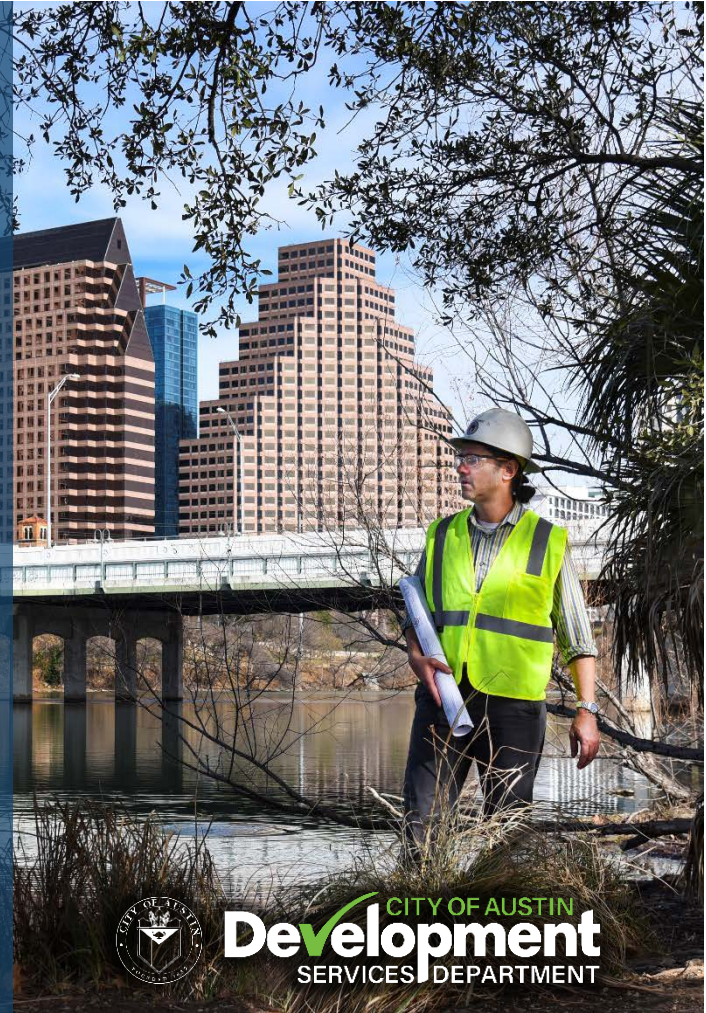
As the department's... and by employees, and a... culture, the department... would guide the department's... specific performance goals... quantitative and qualitative... be assessed monthly, others... the Customer Satisfaction... department provided quarterly... the progress of each pillar.

Policy... updates to the City...



# Thank you

We help our customers navigate the development process by being knowledgeable, accessible, responsive, fair, consistent, flexible, creative and informative.



# Source Information

1. Austin, Travis County, and Metropolitan Austin Population History and Forecast 1940-2045; City of Austin, Texas Planning and Zoning Department Demographic Data; <http://www.austintexas.gov/page/demographic-data>.
2. Austin MSA Spring 2018 Economic & Sales Tax Forecast; Jon Hockenyos, TXP.
3. City of Austin Development Applications Forecast; Capitol Market Research, Inc., May 4, 2018.
4. “U.S. Apartment Demand – A Forward Look”; Hoyt Advisory Services, Dinn Focused Marketing, Inc. and Whitegate Real Estate Advisory, LLC; May 2017.