III. ISSUES RELATED TO ENTIRE PLANNING AND DEVELOPMENT REVIEW DEPARTMENT

For additional issues related to the entire Planning and Development Review Department see Chapter XIII on Support Services.

A. COMMUNICATION

Broken Window Theory

A number of police departments are using what has become known as the broken window theory. The idea is that if a broken window is not fixed it leads to other broken windows. This same theory relates to how customers experience the PDRD offices. In our tour of the offices, we noticed a number of things that give the customers a poor impression including:

- **Torn Notifications:** Special notifications and reports are often taped to various counters. However, many of these are torn, ripped, and/or dog-eared. It simply gives the impression that nobody cares; and
- **Lack of Maintenance:** A few of the offices have maintenance issues and also dirty rugs. Again, this gives a poor impression to customers.

2. ***Recommendation:*** **Managers and Supervisors should develop an approach to broken window issues within PDRD.**

External

Most Best Practice communities have a deliberate and formal approach to working with the development interests and other Stakeholders. Often City staff is even invited to attend certain routine meetings. Active use of up-to-date Stakeholder email lists is essential. There lists can be used to inform of pending policy or ordinance changes being considered, request input, disseminate information, etc. It can also be useful for PDRD to formally join these groups.

3. ***Recommendation:*** **PDRD should develop a specific formal approach to continually involve Stakeholders in all relevant issues and officially join these groups.**

Internal

There is a major lack of internal communication within PDRD. It became obvious in our eight meetings with staff that managers and supervisors are not communicating with staff. We raised numerous issues that one would expect staff to know about and saw mostly blank stares. Various policies and procedures are changed and employees hear about them second hand or in some cases from customers. Managers and supervisors need to do a better job of communicating amongst themselves and then communicating to all employees. Different divisions have different agendas, which are reflected through their respective interpretations of code. Accordingly, staff comments and reviews can be contradictory across divisions and counterproductive for staff and the Stakeholders.

In addition to communication on specific items, some form of routine communication to all staff may be appropriate. At our urging, during the course of this study, we suggested creating a staff newsletter. The first monthly newsletter was published in November. This was a good start, but we suggest the newsletter be issued at least by-weekly and include mission discussions and training articles amongst others. Additionally, the number and type of employee meetings will be reviewed in various parts of this report.

4. ***Recommendation:*** **Managers and Supervisors should develop a specific strategy to improve communication throughout the Department.**

5. ***Recommendation:*** **The Department should give high priority to continuing the newsletter to all employees and expanding its content. It may also be useful to post the newsletter on the website.**

Handouts

Good handouts for the public are very useful. The data should be the same as that posted on the website. Data on the handouts and website should be 100% up to date at all times and be readily available to customers. This relates to the theory called “false maps.” Would someone prefer to have a false map or no map at all? We were not able to review all the handouts but staff indicated that some are not up to date and the ones we did review need improving. Another issue is how handouts are designed and displayed. Generally the titles of the handouts are too small. They should be a minimum of 22 pts and located at the very top of the handout. When placed in a handout rack, the titles should be readily visible for the customers and accessible to customers using wheelchairs. The rule on this is nothing below 15” or above 48”. Accurate and reliable information available in lobby areas could save PDRD staff time at all levels.

As an example, there are several handout racks in the Development Assistance Center as shown in Figure 2. Some of the titles are readily readable, others are not. The titles and handouts on the rack to the left are hard to read. The titles on the colorful handouts on the rack to the right are much better, although they should be arranged in alphabetical order.

Figure 2
Handout Racks In The Development Assistance Center

6. ***Recommendation:*** **PDRD should review all handouts to see that they are up to date, readily available and they should have a uniform design with easy identification for customers, including wheelchair users.**

Signs,

The various signs for PDRD in the building are not particularly attractive, and somewhat confusing to the customers. It would be useful to have a sign/wayfinder expert design and construct new signs. Appropriate signage and departmental explanations would be extremely helpful for navigating within the department.

7. ***Recommendation*: Have a consultant develop new signs and wayfinding for PDRD functions.**

Telephones and Emails

PDRD customer are extremely frustrated in not being able to contact a live person via telephone and not having voice mails and emails returned. We are told that some staff never return phone calls or emails, or if they do, it is a day or several days after the customer's contact. **Phone statistics show that 7 of the 10 PDRD Divisions never answer their phones from the mainline and all calls go to voice mail.** Building Inspectors have a policy that if a call comes in after noon they answer the next day. This is the information age. Customers expect to be able to contact an organization and get a timely response. Austin has a policy of returning phone calls and emails within 24 hours. However, this is too long a time from a customer service perspective, is too hard to monitor, and many calls are not returned in the 24 hours. We prefer a very simple policy that all phone calls and emails be returned the same day received. The supervisors and managers should lead the way on this and monitor performance by their staff. Staff will complain that they are too busy to return emails and phone calls the same day. However, when asked if it takes longer or shorter amount of time returning them the next day, the answer is the same amount of time. So, unless staff simply does not return phone calls and emails, they should do it the same day received. This will have a major positive impact on the customer's view of PDRD. In order to implement this policy, it may be necessary for staff to set aside the last 30 minutes of the day to return calls. This may impact the amount of staff needed for each function. Through expanded use of phone trees and better information on the website, it may also be possible to reduce the number of calls and route them to the appropriate person.

8. ***Recommendation:* All PDRD phone calls and emails should be returned the same day received.**

Additional analysis of PDRD's main phone lines is included in the Support Services Chapter of this report.

B. COUNTER WAIT TIMES AND SERVICE TIMES

The Planning and Development Review Department includes an excellent software program that monitors the number of customers, wait times, assist times, date and time of day, customer name, staff person who helped, and the reason for the visit for six different counters. While an excellent system, it could be even more beneficial if it were programmed to provide a variety of reports useful for managing the functions. We received reports for the month of August 2014. These reports summarized by average wait times and average assist time. Averages can be very misleading. Instead, we suggest a desired performance standard be set with a goal to meet the performance at least 90% of the time. We normally like wait times of no more than 15 minutes. We used the data to prepare some rough estimates as shown in Table 2

As can be seen in the Table, none of the counters serve 90% of customers in 20 minutes or less. The DAC and Land Use Intake are close at 87% and 84%. The other counters are substantially less with the Permit Center being the worse at 21%, followed by Austin Water Utility at 29%. The average wait times are also very high with the Permit Center over an hour. Since these are averages it is likely than some customers wait two hours.

Managers need to work with these numbers and others that can be produced to analyze the services and decide how to meet a target wait time of 15 minutes or less.

Table 2
PDRD Counter Wait and Assist Times August 2014

Counter	# Walk In Customers	Average Wait Times	Average Assist Times	Percent Wait Times 20 Minutes or Less	Percent Service Times 20 Minutes or Less	Percent One Hour or Longer
Austin Water Utility	147	0:39	0:14	29%	81%	1%
Building Plan Review	1303	0:17	0:18	68%	70%	4%
Development Assistance Center	2361	0:09	0:18	87%	74%	1%
Land Use Intake	643	0:10	0:58	84%	39%	1%
Permit Center	3017	1:02	0:11	21%	83%	44%
Residential Review	1195	0:24	0:19	56%	69%	3%

9. ***Recommendation:*** **The PDRD counter intake and assist software should be programmed to use percentages rather than averages.**

10. ***Recommendation:*** **All functions should adopt a performance standard of serving 90% or more of customers within a 15-minute wait time.**

11. ***Recommendation:*** **All managers of intake counters should develop a strategy aimed at meeting wait time targets and carefully monitoring performance. This will likely mean changing processes and in some cases adding staff.**

C. CULTURE

One of the most difficult area for change is the culture of an organization and staff. In order to assist in this area we have prepared Table 3, our understanding of some of the existing PDRD culture and areas we suggest for change.

Table 3
PDRD Culture

Existing Culture	Suggested New Culture
Interpret Codes with no deviation	Recognized that real projects may need creative interpretations. Use whatever discretion the Code suggests or allows. This may require some code amendments. The focus should be on problem solving.
Nit-pick submissions. Cross every “t” and dot ever “i”.	Recognize that nit picking seldom builds a better Austin, so stop doing it
Do a first review that is incomplete just to meet the timeline performance goal	Conduct a comprehensive first review. If this impacts the performance standard, work with managers to obtain more staff or whatever is needed to meet the performance standards along with complete first review.
Answer phone calls and emails whenever	Return all phone calls and emails before going home at night.
Add new conditions or requirements each review	Do a comprehensive review the first time and only add new items if project changes.

12. ***Recommendation:*** **Managers should work on changing the culture of PDRD as outlined in Table 3.**

D. DEVELOPMENT PROCESS

The City's overall planning and development process is shown in Figure 3 and the development phase is shown in Figure 4. The detailed processes will be reviewed throughout this report.

Figure 3
Austin's Planning and Development Process, Summary One

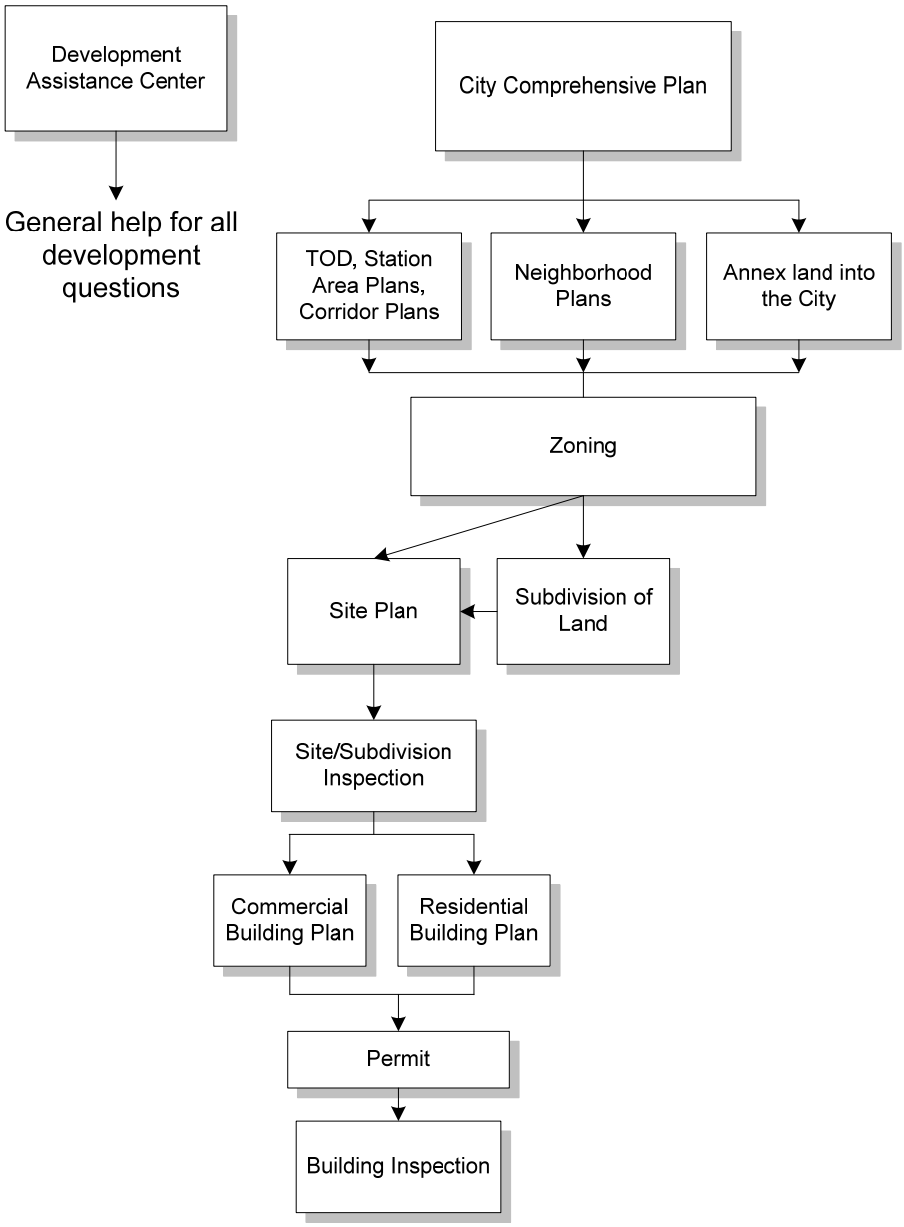


Figure 4
Austin's Development Process

DEVELOPMENT PROCESS

	Development Assessment (Optional) →	Zoning →	Subdivision →	Site Plan →	Building Plan →	Inspection
Regulation Review Elements	**Pre-Application Review** **Explanation of Procedures and Requirements for all Processes** **Fee Estimates** **Potential Issues** **Exemptions** **Corrections** **Land Status**	**Land Use Appropriateness** **Development** Intensity Density Height **Traffic Impact** **Environmental Impact**	**Park Land** **Design** Layout Lot/Tract Size Circulation Street Drainage/Grading Flood Plain **Environmental** Water Quality Tree/Vegetation Habitat Critical Features **Utilities** Transmission Distribution Service	**Design** Intensity Density Height Setbacks Compatibility **Transportation** Driveways Parking/Circulation Traffic Impact **Construction** Drainage Grading Flood Plan **Environmental** Landscaping/Tree Water Quality **Utility (Service)** **Fire (Site)**	**Health** **Taps** **Electric Service** **Industrial Waste** **Construction** Occupancy Access/Exiting Structural Mechanical Electrical Plumbing Energy Fire Zoning Review **Signs** **Barricades** **Underground Tanks**	**Site & Building Plan Compliance** **Code Enforcement of existing structures**
Notice		Property Owners and City of Austin Utility Customers within 500', Registered Neighborhood Organizations, Sector Groups at time of Application, and for Public Hearings • **Signs Posted** • **Newspaper Ads**	Property Owners and City of Austin Utility Customers within 500', Registered Neighborhood Organizations, Sector Groups at time of Application, and for Public Hearings (Preliminary Only)	Property Owners and City of Austin Utility Customers within 500', Registered Neighborhood Organizations, Sector Groups at time of Application, and for Public Hearings (If any…)		
Approval Authority		**City Council**	• **Zoning & Platting Commission** • **Watershed Protection & Development Review** Final w/o Prelim. < 4 lots Amended Plats	• **Watershed Protection & Development review** • **Zoning & Platting Commission** Conditional Use, Hill Country	**Watershed Protection & Development Review**	**Watershed Protection & Development Review** **Neighborhood Planning & Zoning**
Appeal			**Watershed Variances to City Council**	**Waivers to Planning Commission w/Appeals to City Council** **Zoning & Platting Commission Approval w/Appeal to City Council**	**Building Official** **Trade Boards** **Zoning Variances to Board of Adjustment** **Sign Variances to SRB**	**Building Official** **Trade Boards**
Product	**Assessment Report**	**Zoning Ordinance**	**Preliminary Plan** **Final Plat**	**Released Site Plan**	**Building Permit**	**Certificate of Occupancy**

E. EXPEDITED PERMITS

Background

The contract for this study and City Council Resolution No. 20130214-051 requested a report on possible expedited review. This would include any new fees or new positions necessary to implement such a service.

Theory

Applicants and developers throughout the country have two key issues. They want shorter timelines and more consistency and clarity as to requirements. Expedited permits primarily address the timing issue. There are several schools of thought on expedited permits.

1. **Why Expedite:** One suggestion is that if the process works well with reasonable timelines, then there would be no need for expedited permits. While this has some merit, many communities have trouble either having a good process or sustaining it over time. However, even with a good process, some developers may still want to expedite a process for even faster timelines. In many ways, the worse the process, the more the need for expedited permits.

2. **Just Correct Deficiencies In The Current Process:** If the recommendations of this review of PDRD and Austin's development process are implemented, Austin will have a well working permit process. However, realistically this will take time and an expedited process could help to bridge the gap. It could also test out and demonstrate ideas that could be used in the non-expedited processes.

3. **Costs for Expediting:** Most developers are more than willing to pay extra fees for shorter timelines. The cost for any extra fee is often minimal compared to savings related to the shorter timeline. We have proven this many times in all of our studies.

4. **Impact on Non-Expedited Permits:** Applicants who do not want to pay the extra fees and use expediting are generally concerned that an expediting program may add time to the normal process. This is a reasonable concern that we share. Thus, any expedited program needs to be designed to not impact the normal processes.

5. **What Is a Process:** A good process provides adequate time for review against the city's standards and also time for interested parties and citizen input. It should be clear that excessive timelines add to the cost of a project and this added cost can actually work against achieving city goals.

Key Features

Staffing

In order to avoid impacting current processes, it is normally necessary to add extra staff or resources. Options include:

1. **Overtime**
   Existing staff work overtime extending the day or week-ends to work on expedited projects. This works well when the demand for expedited projects is low and many

staff even welcome the opportunity for extra pay. However, if overtime becomes too extensive it can impact the normal work. As such, most communities would set a limit to the amount of allowed overtime per employee.

2. **Retired Employees**

   Some retired employees often welcome the opportunity to work part time and periodically. The advantage is that these employees may already know the functions and codes they would be using. They would need to be briefed on any changes since they retired.

3. **Experts Out Of The Workforce**

   In today's society, there are many people who do not want to work full time or work a routine schedule. Many people also may prefer to work at home. They often find it difficult to find jobs that fulfill their desires for flexibility. Government has not been particularly well equipped to work with these people. These are often women (but could be men) who do not want to work full time while raising young children and need lots of flexibility as well as a desire to work out of the house. We have seen this work particularly well with some highly qualified people like engineers.

4. **Consultants**

   The use of consultants has worked well in many communities for expediting permits. We have also used them for what we call a blended staff. The organization has a base staff and whenever performance standards cannot be met, consultants are hired to help out. This can be a benefit during a down cycle in development to avoid laying off permanent employees. This options is a frequently used option in California for building plan reviewers, building inspectors, engineers, and even planners.

In discussing this with PDRD staff, they raised the following points to be considered:

- Many of Austin's processes involve multiple departments and divisions. It doesn't do much good to have expedited staff for one division if the other functions cannot meet the same timeline. We agree with this point and all departments or divisions could utilize the various approaches to staffing, whichever works best for their function. We also recommend that many of the review functions from these departments be turned over to PDRD.
- Austin's processes are so complex that it takes a year to understand or get proficient in the process. It was even suggested that for some of the engineering and environmental positions it may take as much as three years. To the extent that this is true, it is a real indictment of Austin's codes, policies, procedures, and rules. In our current study, we found much of this to be true. This would mean that staffing options 1 and 2 would work better for Austin than options 3 and 4. However, another approach would be for managers to segment the work and find

aspects where training is less extensive. This means that existing staff might be used for some expediting and other staff and consultants used to back up their positions. Finally, consultants doing a review could have their review audited by experienced staff. This will add cost, but would help establish consistency.

Timelines

For expediting, processing timelines would need to be set for every process. As a rule of thumb we suggest that expedited timelines be half or less of all the non-expedited timelines we have suggested elsewhere in this report. In some cases it may be possible to make them much shorter. As an example, we are told that Fire Inspection may take 5 to 7 days for an inspection but for a fee, Fire will expedite to next day inspection. As a rule of thumb we believe all inspections should be made the next day after requested, however, when not possible, then a next day expedited approach should be available. This could even include after-hours inspections or weekend inspections. Keep in mind that some timelines may be set by code to ensure adequate opportunity for public input and unless the code is changed, these timelines would need to be respected. Both we and the stakeholders support adequate public notice and involvement in many of the processes.

Fees

The expedited fees should be set to cover all direct cost, indirect cost, plus a premium to the extent allowed by Texas law. This would not only be a benefit to the applicant but can also be used as one more revenue source for PDRD. This would need to be established so as not to violate any State laws. The beauty of any fee schedule, is that once it is set, the decision to pay the expedited fee is made by the applicants and private enterprise, not the government.

One of the more successful examples we have experienced is a system used by Los Angeles for subdivision approvals. The process was taking 3 to 6 months or longer. The expedited process set a target of 45 days. The applicants paid the normal subdivision fee for the non-expedited process. Then, the cost of any staff who worked on the project plus expenses were billed back to the applicant. This billing also included a charge for overhead. The process was very successful with a high percent of applications being expedited. This was accomplished with a major expansion of staff. The City Council approved 40 positions with the understanding that the City Administrator could release positions for hiring as needed to correspond to the demand. A similar approach would be needed in Austin using any of the four staffing approaches outlined above. The only difference is that the decision on adding staff or consultants should be left with the relevant managers.

What Could Help To Make Expediting Work In Austin

Many of the recommendations in this report will assist and in some cases be essential for an Austin expediting approach. These include:

- **Standards:** All construction standards need to be up to date. In Recommendation 42 we suggest these be the responsibility of the operating departments and be completed within four months.
- **Number of Reviewers:** In Recommendation 43 we suggest that all plan reviews and inspections be the responsibility of PDRD and no longer involve the operating departments. Fire reviews may be an exception to this approach.
- **Operational Policies and Procedures:** In order to supplement staff for expediting it will be necessary to have the operational policies and procedures up to date.

Will Expediting Work In Austin

The answer to this question is yes, at least for some functions. It is already working for Fire Inspections. The approach we suggest has the following features:

1. The City Council should set as a policy direction the desire for staff to work on expediting approaches for all processes;
2. Expediting should be phased in slowly as time and experience dictate;
3. Timelines should be at least half or less than the new performance standards recommended in this report; and
4. The fee should be the normal fee plus the full cost of anyone actually involved in processing the permit or inspection plus an administrative charge.

13. ***Recommendation:*** **Austin should begin a phased in expediting process for all functions.**

F. FINANCES/BUDGET

The City's fiscal year starts 10/1 and ends 9/30.

Budgets/Revenues

Budgets: The budgets for the Planning and Development Review Department are shown in Table 4.

Table 4
Budgets for Planning and Development Review Department

Function	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Estimated	2014-15 Proposed
Campo	**1,254,639**	**1,374,043**	**1,505,708**	**1,486,391**	**2,022,681**
Building Inspection	4,152,833	4,384,330	5,170,509	5,700,465	5,992,753
Commercial Building Plan Review	1,226,468	1,383,552	1,692,422	1,712,735	1,789,775
Development Assistance Center	1,143,946	1,217,862	1,581,699	1,996,393	1,788,529
Land Use Review	5,263,748	6,303,251	5,910,429	6,297,186	6,779,533
Permit Center	640,691	737,279	823,926	831,894	719,358
Residential Review	996,859	1,048,592	1,600,520	1,554,332	1,576,865
Site/Subdivision Inspection	4,866,945	5,270,915	5,772,186	6,328,905	6,485,709
One Stop Shop Total	**18,291,490**	**20,345,781**	**22,551,691**	**24,421,910**	**25,132,522**
Current Planning Code Amend	88,315	87,004	78,466	76,824	387,007
Current Planning, Annexation	211,170	216,749	249,790	274,845	347,025
Current Planning, Zoning	975,914	1,037,635	1,124,608	1,194,131	1,254,701
Current Planning Total	**1,275,399**	**1,341,388**	**1,452,864**	**1,545,800**	**1,988,733**
Neighborhood Assistance Center	162,066	171,548	184,035	202,269	164,062
Neighborhood Planning, Comp Plan	1,718,996	1,753,206	1,748,019	1,954,634	1,902,737
Urban Design, Comp Plan	730,787	720,791	855,332	877,193	973,053
Comprehensive Planning Total	**2,611,849**	**2,645,545**	**2,787,386**	**3,034,096**	**3,039,852**
Support Services	**2,847,813**	**2,639,162**	**3,931,323**	**4,408,582**	**5,078,924**
Transfers and Other	**22,446**	**22,822**	**19,512**	**19,968**	**6,610,443**
Total	**26,303,636**	**28,368,741**	**32,248,484**	**34,916,747**	**43,873,155**

An examination of PDRD's detailed budget reveals the following categories of interest:

Expense Refunds: The budgets for PDRD include what is called Expense Refunds. These refunds are transfers of funds from other City departments such as Austin Energy and Watershed Protection that support PDRD staff working on issues related to that department. The Expense Refunds are shown in Table 5. These refunds are based on

budgets for each division. We were unable to determine exactly how these numbers are arrived at but they are important for the support of PDRD.

Table 5
Expense Refunds for PDRD

Function	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Estimated	2014-15 Proposed
CAMPO	**1,254,639**	**1,374,043**	**1,505,708**	**1,486,391**	**2,022,681**
Building Inspection[1]	0	2,487	126,000	146,957	126,000
Commercial Building Plan Review[2]	142,040	186,280	58,000	58,000	58,000
Development Assistance Center[3]	214,208	191,375	247,409	286,560	302,082
Land Use Review	3,172,132	3,029,327	3,198,895	3,471,115	3,598,772
Permit Center	0	0	0	0	0
Residential Review	0	0	0	0	0
Site/Subdivision Inspection	1,639,281	1,587,313	1,705,567	1,813,614	2,070,607
One Stop Shop	**5,167,661**	**4,996,782**	**5,335,871**	**5,776,246**	**6,155,461**
Current Planning Code Amend	0	0	0	0	0
Current Planning, Annexation	135,000	129,712	131,222	135,000	135,000
Current Planning, Zoning (grant)	0	0	0	40,000	0
Current Planning	**135,000**	**129,712**	**131,222**	**175,000**	**135,000**
Neighborhood Assistance Center	0	0	0	0	0
Neighborhood Planning, Comp Plan	1,079	0	0	0	0
Urban Design, Comp Plan	75	0	0	0	0
Comprehensive Planning	**1,154**	**0**	**0**	**0**	**0**
Support Services[4]	158,675	159,245	176,731	271,970	3,367 [5]
Total Support and Other Transfers	**158,675**	**159,245**	**176,731**	**271,970**	**3,367**
Total	**6,717,129**	**6,659,782**	**7,149,532**	**7,709,607**	**8,316,509**

[1] Austin Energy reimburses PDRD for energy Inspections, comes from Austin Energy's overall revenue.

[2] Austin Energy reimburses PDRD for energy reviews, comes from Austin Energy's overall revenue.

[3] Watershed Protection reimbursement for engineering and environmental staff budgeted in PDRD. Revenue comes from a drainage utility fee and environmental fees.

[4] Watershed backcharge for award and recognition program for personnel budgeted in PDRD.

[5] A PDRD Assistant Director was previously financed by the Code Compliance Department but this expense refund was eliminated in FY 15.

A PDRD Assistant Director was previously funded by the Code Compliance Department but this was eliminated for 2014-2015. There is a close relation between the Code Compliance functions and PDRD and Code Compliance has a pre-set source of revenue. As such, we believe that PDRD should still receive some Expense Refunds from Code Compliance.

14. ***Recommendation:*** **PDRD should review the methodology used to determine the amounts for the Expense Refunds.**

15. ***Recommendation:*** **Discussions should be held with the Code Compliance Department concerning the appropriateness of a Code Compliance Expense Refund for PDRD.**

Google: The City is underway in working with Google to establish a high speed Broadband Fiber network for the City. A variety of temporary staff have been added to PDRD to implement this program. For FY 2014-15 the City Council has made a special appropriation to fund these positions. However, in FY 2013-14 these positions were paid for out of the yearly budget for PDRD. This was accomplished by use of vacant position funds for some 28 PDRD positions. While we are supportive of active use of vacant positon funds, this system was undertaken at the same time the community was concerned about lack of performance in PDRD. This raises the question as to how serious PDRD or the City Council was to solve PDRD issues. This reinforces our view that the City will need to be more aggressive and consistent with the way it handles funds for PDRD if it really wants to correct the current situation and Stakeholder concerns.

Transfers and Others: There has historically been a small category in the budget called "Transfers and Others." However, for 2014-15 this category was increased from $19,968 to $6,610,443. This is based on a new City-wide approach to the budget that distributes service costs and external overhead to operating departments. These costs are shown in Table 6. This is a standard budgeting process used in many communities.

Table 6
Transfers and Other Budget Costs for PDRD

Item	Cost
CTM (technology cost)	$3,079,011
Support Services	$2,876,040
Workers Compensation	$499,171
Liability Reserve	$37,200
Accrued Payroll	$119,021
Total	**$6,610,443**

The proposed new budget for 2014-15 also includes items for what many communities call external overhead as shown under Support Services of $2,876,040 in Table 6. PDRD should conduct an annual review of the budget office's Support Costs and External Overhead. In many cities, it is not unusual that there are over charges or double counting in these accounts.

16. ***Recommendation:*** **PDRD should conduct an annual review of the budget office's Transfers and Other Budget Costs including Support Services Costs.**

Support Services: The Support Services category and funds in the PDRD budget are used to support all of PDRD programs and divisions. In order to determine what percent of Support Services relates to the development process (One-Stop-Shop), Table 7 shows the expenses for Comprehensive Planning, Current Planning, and CAMPO, and calculates these as a percent of the total PDRD budget. These functions are not part of the One-Stop-Shop and should continue to be supported by the General Fund. These totals are then deducted from the Support Services budget to arrive at the portion of Support Services related to the One-Stop-Shop**.** The same approach was also used to distribute the Transfers and Others to the One Stop Shop.

Table 7
Total Costs for One-Stop-Shop

Function	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Estimated	2014-15 Proposed
Total, Exp/or Budget, Table 4	**26,303,636**	**28,368,741**	**32,248,484**	**34,916,747**	**43,873,155**
Comprehensive Planning, Table 4	2,611,774	2,645,546	2,787,386	3,034,096	3,039,852
Current Planning, Table 4	1,275,399	1,341,388	1,452,864	1,545,800	1,988,733
CAMPO, Table 4	1,254,639	1,374,043	1,505,708	1,486,391	2,022,681
Total, Comp Plan, Current Planning & Campo	**5,141,812**	**5,360,977**	**5,745,958**	**6,066,287**	**7,051,266**
As a % of total budget	**19.55%**	**18.90%**	**17.82%**	**17.37%**	**16.07%**
Support Services, Table 4	2,847,813	2,639,162	3,931,323	4,408,582	5,078,924
Minus % Support for Comp Plan, Current & Campo	729,040	633,399	880,616	956,572	816,281
Net Support Services for One Stop	**2,118,773**	**2,005,763**	**3,050,707**	**3,452,010**	**4,262,643**
Transfer and others, Table 4	22,446	22,822	19,512	19,968	6,610,443
Minus % transfers and others for account plan, current and Campo	4,388	4,313	3,477	3,469	1,062,426
Net transfers and others for one-stop shop	**18,058**	**18,509**	**16,035**	**16,499**	**5,548,017**
One Stop Shop, direct expenses, Table 4	18,291,490	20,345,781	22,551,691	24,421,910	25,132,522
Support Services for One Stop Shop	2,118,773	2,005,763	3,050,707	3,399,592	4,262,643
Transfers and Others for One Stop Shop	18,058	18,509	16,035	16,499	5,548,017
Total One Stop Shop Cost	**20,428,321**	**22,370,053**	**25,618,433**	**27,890,419**	**34,943,182**

Full Cost Recovery: Table 8 has been prepared to relate the One-Stop-Shop costs to the revenue from fees and refunds to determine what percentage of fees and refunds cover the costs. The budget used for OSS revenue in 2013-2014 was $17,178,668, but the actual revenue for 2013-1014 $24,448,282 resulted in what could be considered a General Fund windfall of $7,269,664. The same thing occurred in the 2012-2013 FY where the budget was $13,152,108 and actual revenue was $20,725,468, a difference of $7,573,360. The budget office indicated that they use low revenue projections for the budget in order to be conservative. However, we assume that these numbers were used along with others to set the City tax rate. One could argue that this excess revenue should be used to add needed resources to PDRD or begin to build a development process reserve for future years. Using these revenue numbers results in a revenue/refunds as percent of cost to 108 percent for FY2013-14 and 93% for 2014-15 as shown in Table 8.

In Table 9 we also estimate One-time and On-Going cost needs for PDRD. We believe the City should appropriate funds for the One-time costs based on underfunding PDRD in prior years. In Table 8, we added the proposed new on-going costs of $2,379,368 which

results in full cost recovery of 86%. Additional fee increases will be needed to bring this to 100% and begin an Enterprise Fund or its equivalent.

Table 8
PDRD Revenue/Refunds as % of Cost for One-Stop-Shop

Function	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Estimated	2014-15 Proposed
Total One Stop Shop Cost	**20,428,321**	**22,370,053**	**25,618,433**	**27,890,419**	**34,943,182**
Refunds, Revenue, Table 5	5,167,661	4,996,782	5,335,871	5,776,246	6,155,461
Fee, Revenue for OSS	11,996,011	15,831,945	20,725,408 [3]	21,185,668 [2]	19,285,693
Total Revenue/Refunds	**17,163,672**	**20,828,727**	**26,061,279**	**26,961,914** [1]	**25,441,154**
Total Revenue/Refunds as % of Cost	**84%**	**93%**	**102%**	**97%**	**73%**
Revised Revenue for OSS				24,448,282	26,433,146
Refunds, Revenue, Table 5				5,776,246	6,155,461
Total Revenue/Refunds				30,224,528	32,588,607
Revised %				**108%**	**93%**
Minus On-going cost, Table 9					**2,379,368**
Revised revenue/refunds, minus new costs					**30,209,239**
Revised % including new on-going costs, Table 9					**86%**
[1] Includes $20,000 annexation revenue					
[2] Budget was $17,178,668					
[3] Budget was $13,152108					

Budget /Revenue Strategy

For FY 13-14 the fee revenue was $24,448,282 with a budgeted revenue of $17,178,668 resulting in $7,269,614 revenue over the budget. The items listed below are used in many communities. Austin will need to compare these to Texas law and if necessary attempt to change Texas law.

Comprehensive Plan and Current Planning: In most communities we work with, Comprehensive Planning and Current Planning are supported by the General Fund while the direct development activities are supported by revenues. In the case of PDRD, we also show CAMPO as General Fund since this is primarily an accounting transaction. It is also reasonable to pay a percent of the Support Services account from the General Fund. We suggest that Comprehensive Planning and Current Planning continue to be supported by the General Fund.

One-Stop-Shop: As can be seen in Table 8, revenues versus expenditures for the One-Stop-Shop have ranged from a low of 86% in 2010-11 to a high of 111% in 2012-13. The average for the four years is 99%. However, we have also shown the actual Revenue for 2013-2014 as $28,994,663 resulting in 125%.

- **Cost Recovery:** The norm for many communities in the U.S. and Canada is to have 100% cost recovery.
- **Isolate Revenues Outside the General Fund:** The fee revenue is either set up in an enterprise fund or is at least isolated in the financial system. In many states it is illegal to transfer any of these fee revenues to the General Fund.
- **Reserve Accounts:** Many communities build a rainy day reserve account for development activities. We used to suggest that the reserve be equivalent to 3 months of expenditures which for the One-Stop-Shop development functions in 2014-15 would be $5,766,399. However, we currently suggest instead that either a 9 month or 12 month reserve be established. For Austin a 9 month reserve would be 22 million. In Calgary, an organization similar to PDRD with twice the staff of PDRD we recently recommended that their reserve for the development activities of 30 million be increased to 60 million and the City Council has adopted that as a policy. See a more detailed analysis of a possible Austin reserve in a separate paragraph at the end of this section.
- **Planning Fee Override's:** Some communities also include a fee override where a certain percent of the development fees are set aside for long-range and current planning. These are set aside in a special account for use when a plan update is required. While this could be a good long-range approach for Austin, it should not be used until the problems of the One-Stop-Shop are resolved and the reserve account of $22 million has been achieved.
- **Carryover Expenditures:** The more sophisticated communities also do a year end analysis of carry over expenditures. For example, a high rise project may take several years to complete. Revenue may come in one year but then expenditures occur over several subsequent years. This type of analysis could be particularly relevant for Austin.
- **General Fund Competition:** Given the financial concerns in most communities, including Austin, it is difficult for development activities to compete with fire and police in a General Fund analysis. As such, development activities are placed in a special revenue account that is separate from the General Fund.
- **Management Controls:** Once revenues and budgets are stabilized, managers of the functions can manage the functions in a more contemporary and aggressive approach.
- **Fees:** As can be seen in the fee discussion below, Austin's development fees are substantially below comparable communities. Most applicants and developers,

including those in our Austin focus groups, would be willing to pay higher fees if they could receive better service.

In order to implement this study we recommend that Austin immediately appropriate $4 million to implement this study. An additional $2 million should be appropriated to begin to build a reserve account for the One Stop functions. Table 9A indicates the addition of 23 staff. We show 21 of these as on-going and they would be part of the proposed Enterprise Fund. The two GIS staff (419) are also likely on-going but would be funded from the General Fund.

Table 9A
Additional Staff to PDRD

Recommendation	Item	Cost per Item	One-Time	On-Going
Operating = Salary + 6.2% FICA + 1.45% Medicare + 18% Retirement + Insurance + office supplies & training				
One-time = Computers + other equipment				
STAFF				
33	Deputy Direction for Operations	$183,963	$3,000	$183,963
65	Combination Inspector Supervisor	$101,391	$4,500	$84,384
65	3 Combination Inspectors	$88,585	$13,500	$265,754
106	1 Commercial Plan review staff	$136,314	$3,000	$136,314
106	4 Commercial Plan review Staff	$101,091	$12,000	$404,364
199	Customer Service Representative in Land Use review	$79,698	$3,500	$62,430
213	Transportation Engineer	$136,314	$3,500	$136,314
251	Add employee for site plan function	$70,392	$3,000	$70,392
260	Add employee for subdivision function	$88,585	$4,500	$88,585
275	3 Permit Review Specialists for Permit Center	$60,591	$9,000	$181,772
320	Add Administrative Supervisor position in SSI	$60,591	$3,000	$60,591
387	Public Information Specialist for public information	$93,834	$3,000	$93,834
389	Public Information Specialist for website	$93,834	$3,000	$93,834
419	Add two GIS staff (General Fund)	$82,414	$0	$0
421	Add one IT staff to PDRD	$98,591	$3,000	$98,591
	Sub-Total Personnel		**$71,500**	**$1,961,122**
Cost updates provided by City of Austin staff. These updated numbers reflect estimated FY16 costs.				

Table 9B shows the dollars for consultants or contract staff. One-time costs are estimated at $574,580, mostly to remove backlog. These would be the equivalent of 5 to 7 staff. On-going costs are estimated at $496,692. These would be the equivalent of 6 or 7 staff.

Table 9B
Consultants or Contract Staff to Implement

Recommendation	Item	Cost per Item	One-Time	On-Going
Any staff, salary + $3,500 office supplies +6.2% FICA +1.45% Medicare + $11,390 Insurance				
CONSULTANTS				
53	Additional staff, overtime or consultants to meet performance standards	$150,000		$150,000
100	Contractor to remove commercial plan review backlog	$50,000	$50,000	
107	Supplement inspection staff for training	$20,000		$20,000
176	Back up for environmental review in DAC	$50,000		$50,000
179	Add four staff or consultants to DAC	$69,173		$276,692
236	Temporary employee for subdivision intake	$62,430	$62,430	
253	Hire contract staff to remove site plan backlog	$100,000	$100,000	
296	Add contract staff to meet performance standards for Residential Plan Review	$50,000	$50,000	
333	On call consulting for SSI (5 inspectors)	$62,430	$312,150	
	Sub-Total Personnel		**$574,580**	**$496,692**

Table 9C lists one time equipment and other support needs to implement this report totaling $877,300 dollars and on-going costs of $235,000 dollars. Table C also shows possible remodeling costs of $1,150,000 dollars.

The cost, excluding remodeling to implement this report is estimated at $4,215,994 dollars.

Table 9C
Preliminary Budget for Equipment, and Other Support Needs to Implement Report and Solve Development Problems

Recommendation	Item	Cost per Item	One-Time	On-Going
EQUIPMENT, AND OTHER SUPPORT NEEDS				
Will depend on contractors vs. permanent staff	Trucks or automobiles for Inspectors, 5	$24,200	$121,000	
3	Join Stakeholders organizations			$30,000
7	Wayfinder Expert	$20,000	$20,000	
47	Consultant to examine all external departments	$100,000	$100,000	
60	Remodel Inspector Office Space	$100,000	$100,000	
78	Certifications for Permit Technicians, 7	$2,000	$14,000	
82	Inspector Cell Phones, 60 Bldg., 40 SSI	$400	$14,000	
111	Designer for consolidated counters	$30,000	$30,000	
167	Planning Commission lap tops or I-pads (17)	$700	$11,900	
171	CodeNEXT mapping and electronic code	General Fund		General Fund
181	Improve signage in DAC	$10,000	$10,000	
257	Drafting Table	$400	$400	
258, 424	Adobe Software, Creative Suite, 5	$600	$3,000	
286	Work Space for residential plan reviewers	$50,000	$50,000	
312	3 Scanning Machines for Residential Plan Review	$600	$1,800	
349	Dedicated phone line for SSI inspection requests	$1,000	$1,000	
356	5 Smart Boards in Conference Rooms	$12,000	$60,000	
257	Up-date facilities with paint and carpet	$200,000	$200,000	
368	Add $30,000 for professional registrations	$30,000		$30,000
380	Additional Training Budget	$175,000		$175,000
383	360 degree evaluation for all managers and supervisors	$30,000	$30,000	
384	Consultant for logo and branding	$50,000	$50,000	
386	Electronic button for reception desk	$200	$200	
405	Field Printers for Inspectors, 60 + 40	$300	$30,000	
409	Media campaign for Internet permits	$30,000	$30,000	
	Sub Total Equipment and Supplies		**877,300**	**235,000**
TOTAL STAFF, EQUIPMENT, CONSULTANTS			**$1,523,380**	**$2,692,814**
REMODELING				
30	Locate all planning and development in one floor	?	?	
32	Temporary office trailers in parking lot	$200,000	$200,000	
265	Reconfigure 4th floor reception area	$200,000	$200,000	
284	Expand Permit Center	$250,000	$250,000	
287	Conference Rooms for second floor	$250,000	$250,000	
290	Counters	$250,000	$250,000	
Sub Total Remodeling			**$1,150,000**	**$0**
Grand Total			**2,673,380**	**2,692,814**

17. ***Recommendation:*** **The City should develop a separate account for the One-Stop-Shop removing it from the General Fund. Comprehensive Planning and Current Planning would remain in the General Fund.**

18. ***Recommendation:*** **The City should make $4,250,000 million available immediately to begin to implement this report for the One-Stop-Shop and set up an additional rainy day reserve for PDRD.**

19. ***Recommendation:*** **The City should establish a reserve account for the One-Stop-Shop with a target of 22 million. An initial set aside for 2014-15 should be roughly 2 million or larger.**

Fees

A consultant completed a review of the PDRD Fees on February 22, 2012. The study compared Austin to 11 other communities and found that the Austin fees were substantially below the other communities for virtually all categories. Additionally, the study found that Austin does not have a user fee policy that outlines guiding principles for establishing and updating fees and permits.

The study outlined seven policies recommended by the National Government Finance Officers Association. Which included, "shows intention of collecting 100% of cost of service." We also consider full cost recovery a national best practice. Without a full cost recovery, planning and development functions must compete with other city services for General Fund revenue. National experience has shown that it is generally not possible for Planning and Development to compete with police and fire services.

Based on the fee study, the City has decided to gradually phase-in suggested fee increases by 25 percent per year. This work was updated in an August 2013 report that recommended seven new fees, two fee updates, and three policy changes that will enhance the City's cost recovery. These changes would be projected to add $1.5 million to the annual revenue. We also asked staff to estimate how the fee increases would impact revenue for 2014-15. Based on this study the revenue should increase by $2.2 million.

However, in discussing this with the PDRD budget officer, it was indicated that the 25% annual fee increases are only for the smaller projects and that the larger projects are actually paying fees higher than the costs. Therefore, there will be a program to bring the larger project fees in line with actual costs. We are not supportive of this approach. The norm across the country in the building code is that larger projects tend to pay more than actual costs and smaller projects less than actual costs. If actual costs are charged for smaller projects like minor remodeling, water heaters, etc. these fees are much higher

than reasonable. As such, the larger projects, such as high rise buildings and shopping centers, actually subsidize the smaller projects. This is a reasonable approach.

20. ***Recommendations:*** **The City should not pursue the approach of reducing fees for large projects and also keep fees for smaller projects in line with Best Practices across the country where they are generally lower than actual costs.**

One issue that surfaced in virtually all the PDRD Divisions and Sections we reviewed is the problem with numerous cycles of review. Many of the recommendations in this report will address the City side of this issue. However, it is not unusual that applicants are not completing the requested changes which then leads to additional reviews. Given PDRD's slow processing times, it is also not unusual that applicants submit incomplete applications in order to get their projects in line for service. Many communities address this by having extra charges after the third review. We are supportive of this approach. However, it is not reasonable to have extra fees if the problem resulted from an incomplete City review in the first place.

21. ***Recommendation:*** **The fee structure should be reviewed to add extra charges after a third review.**

See the Building Inspection Chapter for a recommendation to add certain re-inspections fees.

The Auditor's Office has pulled a small sampling of PDRD fee-based transactions and identified a >50% error rate, likely with undercharges. Their next step is to work with staff through those individual transactions. This is a key issue as we have seen there can be delays in calculating fees and it is also important to keep the fees intact to support the full cost recovery recommendations.

Grants

We find that many planning and development departments, both large and small, have managed to receive major federal and private grants, normally in the million dollar range. Austin has had only minimal success in this area with a small $40,000 grant for zoning. The PDRD managers in all the functions, particularly the Comprehensive Planning Division should be monitoring the Internet and publications for possible grant opportunities. Then in each case, a staff member should be assigned to pursue the grant.

22. ***Recommendation:*** **PDRD should develop a program to aggressively find grants to supplement the PDRD budget and expand the program.**

Reserve Account

We have seen a variety of approaches for the use of reserve accounts for the development process. Generally reserve funds are:

- Collected as available and spent judiciously as needed to ensure service levels to citizens are maintained;
- Used to carry forward funds designed to finance particular expenditures in a future fiscal year;
- Fund operating expenditures for one-time projects/pilot programs;
- Stabilize operating budgets for unanticipated fluctuations in revenues or expenditures**;**
- Used to keep current service levels high; and
- Retain competent trained staff for the next up-turn in development activity. This could be particularly important for Austin given its complex code which requires long staff training times.

In prior studies, we have examined a few cities in relation to downturn in activity. During the last downturn in activity, San Diego, California had a reduction in revenue ranging from 4.7% to 19.2% per year. San Jose, California ranged from 6.8% to 16.9%.

We analyzed the history of Austin fee revenue in Table 10. Although there were some changes in fees during this 15-year period, the data is sufficient to examine a possible reduction for Austin. As can be seen, Austin had a drop in activity in the 2001 to 2003 period and again in 2009 and 2010.

The One-Stop-Shop budget for FY 2014 was $27,821,502. The FY 09 revenue drop of 23.0% would be $6,398,945. If this drop were repeated for three years it would total $19,196,835. Thus it is easy to see that the reserve account should at least equal our recommended 22 million if not more. Of course other expenditure reductions would be practiced during this 3-year time period, but the reserve account should allow PDRD to retain its core staff and expertise.

Table 10
One-Stop-Shop Revenue

Year	Revenue	Percent Change From Prior Year
FY99	$11,657,765	
FY00	$11,842,085	
FY01	$10,604,443	-10.5%
FY02	$8,361,621	-21.1%
FY03	$7,257,241	-13.3%
FY04	$7,903857	
FY05	$9,954,401	
FY06	$13,876,789	
FY07	$18,201,521	
FY08	$16,085,635	-11.6
FY09	$12,651,929	-21.3%
FY10	$9,736,544	-23.0%
FY11	$11,994,288	
FY12	$15,830,823	
FY13	$20,725,318	
FY14	$24,447,682	

In order to think about both the past and the future, we collected some of the development and population history in Austin as shown in Table 11. While the data provides some information it tends to be unreliable from a number of perspectives. The categories of how building permits are calculated changed in 2007, population increase does not take into account for internal births and deaths vs. migration (roughly 35% of Austin's growth come from natural increase), and does not isolate out annexation. However, the table does provide a beginning perspective on the issue.

In order to do proper budgeting and use of a reserve account, PDRD should develop a refined model that correlates development activity and revenue.

23. ***Recommendation:*** **PDRD should develop a projection of development activity and revenue to be used in budgeting and setting of a reserve account.**

Table 11
Austin Development History

Year	Building Permits*	Site Plans	Subdivisions	Sub. Div. Lots	No. Res. Units	Pop increase from prior year
1999	13,496				7,956	
2000	12,765				8,833	
2001	8,152				6,839	14,834
2002	8,781				6,655	13,386
2003	9,345				6,534	6,677
2004	19,207				6,480	4,000
2005	23,059	454	443		9,216	9,000
2006	26,254	769	699	9,202	8,766	20,091
2007	12,286	723	506	5,405	11,124	16,165
2008	11,083	636	318	4,611	7,233	14,426
2009	11,304	383	122	582	3,350	26,414
2010	12,177	414	145	1,096	2,753	11,996
2011	12,587	387	160	1,234	4,331	21,168
2012	14,077	473	222	1,595	9,499	12,168
2013	15,301	577	254	2,843	11,756	18,532
2014						22,742

*1999 to 2006 data was from PIER and 2007 to 2013 from AMANDA, data catagories have changed so this is not a uniform set of data.

G. HOURS OF OPERATION

The various PDRD departments, divisions, and functions have different office hours. For example Trees 12:30 to 3:30, Water 8 to 11 and 1 to 2, closed Thursdays, Residential Reviews 8 to 11, M, W, F, etc. While there may be some staffing or other rationale for some of these, it would be useful to the customers to have the same hours whenever possible. This was a major complaint we heard from customers in the Stakeholder meetings. If there are to be differences, the office hours should be very transparent to customers through handouts, postings, and prominent displays on the website.

24. ***Recommendation:*** **Departments and divisions in the planning and development process should conduct a study and have uniform office hours whenever possible.**

25. ***Recommendation:*** **All office hours should be clearly noted for customers on handouts, postings, and website.**

H. LEGAL DEPARTMENT

Site Plans and Subdivisions

Staff indicated that Site Plan and Subdivision applications routinely require preparation of legal agreements (e.g., Unified Development Agreements, etc.) through the legal department as part of the review and approval process.

Staff reported that the completion of legal documents is very slow and often delays processing. In addition, Commission members reported that legal staff that are assigned to attend meetings, when needed, are not well-informed about issues and are unable to provide comprehensive responses to legal questions.

Staff suggested that the Legal Department assign a designated attorney to perform reviews, draft legal documents, and attend commission meetings as needed to provide more decision-making continuity, a higher level of service and greater accountability to the Division and Commissions. This approach is often used by best practices communities and we agree.

26. ***Recommendation:*** **The Legal Department should establish an attorney to act as the single attorney for the Land Use Review Division to perform reviews, draft legal documents and attend commission meetings as needed.**

Site/Subdivision Inspection Issues

Within the environmental group (EV) in the Site/Subdivision Division there is a legal code enforcement team tasked with the responsibility to monitor and enforce the city's environmental code as well as issue citations for violations when appropriate. This responsibility includes enforcement of the environmental code for Austin that may not be associated with ongoing new development. The "policing" team is supervised by a licensed attorney. This supervisor also reports that he routinely serves as an informal

legal advisor to the PDRD Department Director on land use development and related matters.

Concerns have been relayed to the Zucker Team that services from the City Attorney's Office have often been inadequate, and at the same time PDRD has been admonished by the City Attorney's office that they may file a complaint to the State Bar Association about the work of the PDRD staff member. While it is important to recognize that the formal legal representative for Austin should always be through the City Attorney's (CA) office, it is apparent that there is a need for a higher level of legal services to help PDRD maintain timely action on development and environmental responsibilities.

We believe that the conflict described above between the CA and PDRD does not serve the best interests of the City of Austin. It is appropriate that a resolution be found within the City organization, and that outside agencies should not be involved. We also believe that it is necessary and beneficial for PDRD to have a legal expert on their staff, in this case a licensed attorney, within the Department. The volume of development cases and environmental code enforcement requiring proper legal advice warrants this inclusive approach.

In addition to the processing of code enforcement cases for judicial proceedings, it is apparent that the Department relies on this SSI staff for a wide range of land use and development related legal advice. Last, but not least, the compensation for the supervising staff is actually less than the investigators working under his supervision.

27. ***Recommendation:*** **Evaluate if it is appropriate to have the Code Enforcement and Legal Services Team leader have formal responsibility for coordinating all related land use legal issues advice as well as environmental code enforcement matters.**

28. ***Recommendation:*** **The Department Director should work with the City Manager and the City Attorney to develop a cooperative understanding and communication system regarding the various legal services required by the Department including response times resulting in a formal Memorandum of Understanding (MOU's) between the Departments.**

29. ***Recommendation:*** **Human resources (HR) should conduct a classification/compensation review and adjust the compensation commensurate with the management level for the PDRD staff attorney/ legal advisor position**

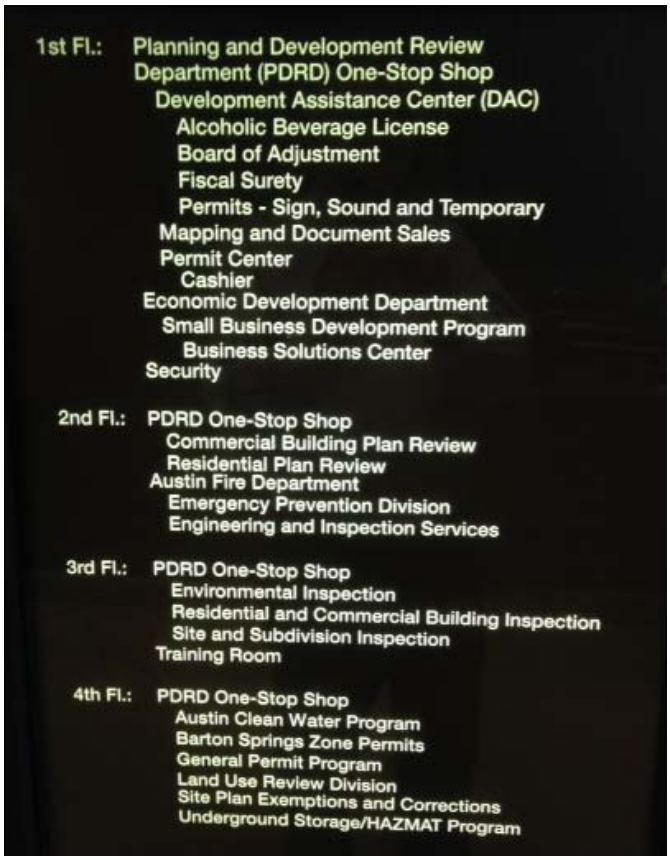
Also see our recommendation under the "Current Planning" section to automate the drafting and review of legal documents related to development review so that review periods are documented and meet established Performance Standards.

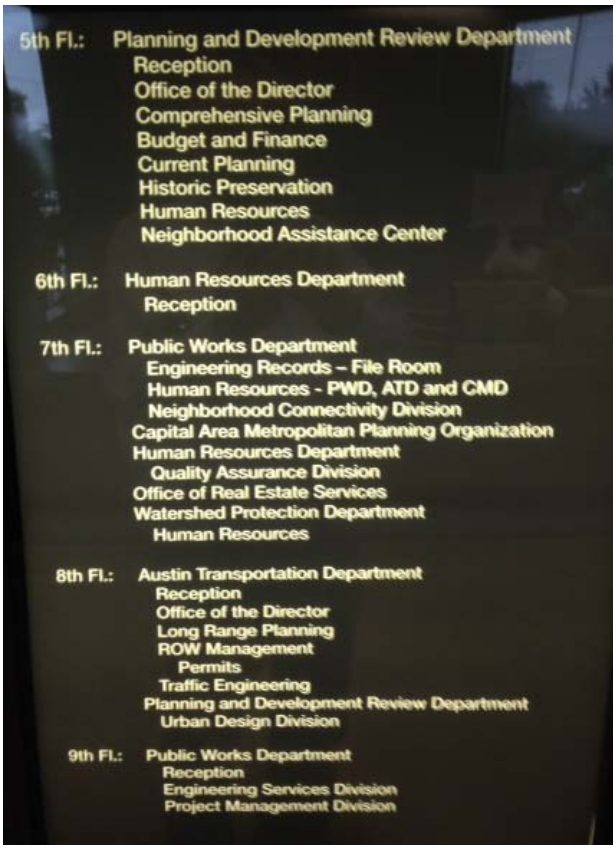
I. OFFICE ISSUES

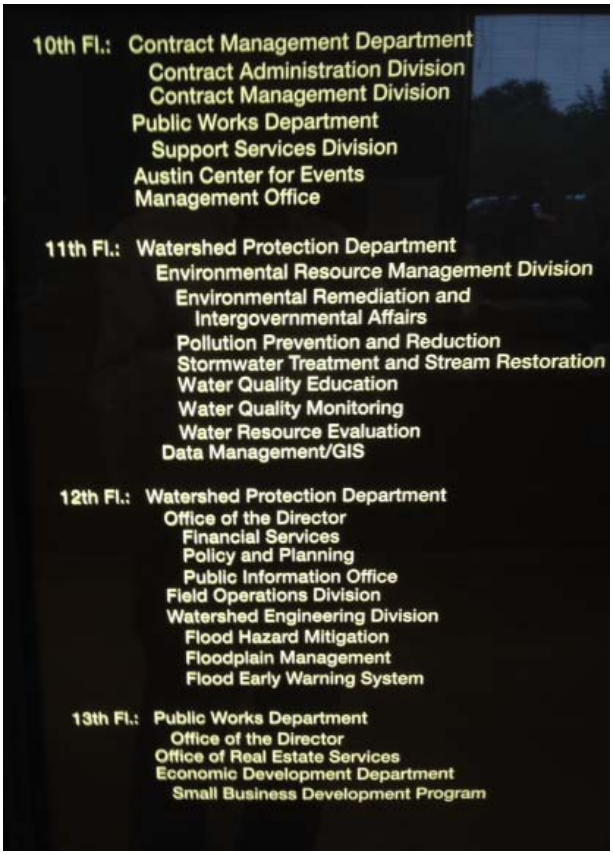
One Floor

The Planning and Development Review Department functions are located on five floors at One Texas Center. Functions are located as shown in Table 12. Having development related offices collocated is excellent but having them located on multiple floors is not an ideal situation.

Table 12
Office Locations and Signs

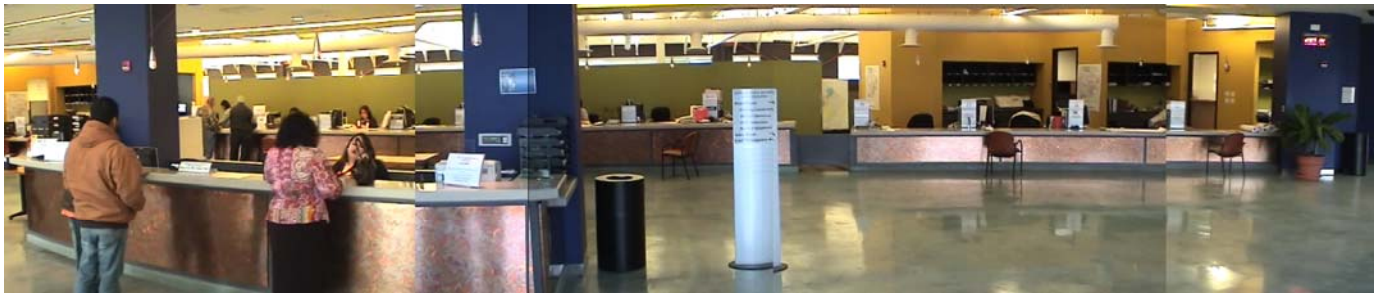



5th Fl.: Planning and Development Review Department
Reception
Office of the Director
Comprehensive Planning
Budget and Finance
Current Planning
Historic Preservation
Human Resources
Neighborhood Assistance Center
6th Fl.: Human Resources Department
Reception
7th Fl.: Public Works Department
Engineering Records – File Room
Human Resources - PWD, ATD and CMD
Neighborhood Connectivity Division
Capital Area Metropolitan Planning Organization
Human Resources Department
Quality Assurance Division
Office of Real Estate Services
Watershed Protection Department
Human Resources
8th Fl.: Austin Transportation Department
Reception
Office of the Director
Long Range Planning
ROW Management
Permits
Traffic Engineering
Planning and Development Review Department
Urban Design Division
9th Fl.: Public Works Department
Reception
Engineering Services Division
Project Management Division


10th Fl.: Contract Management Department
Contract Administration Division
Contract Management Division
Public Works Department
Support Services Division
Austin Center for Events
Management Office
11th Fl.: Watershed Protection Department
Environmental Resource Management Division
Environmental Remediation and
Intergovernmental Affairs
Pollution Prevention and Reduction
Stormwater Treatment and Stream Restoration
Water Quality Education
Water Quality Monitoring
Water Resource Evaluation
Data Management/GIS
12th Fl.: Watershed Protection Department
Office of the Director
Financial Services
Policy and Planning
Public Information Office
Field Operations Division
Watershed Engineering Division
Flood Hazard Mitigation
Floodplain Management
Flood Early Warning System
13th Fl.: Public Works Department
Office of the Director
Office of Real Estate Services
Economic Development Department
Small Business Development Program

A much better approach, when feasible, is integrating functions on one floor. A good example is San Antonio which was one of our clients. They constructed a new two story building for all the planning and development functions. Long-range planning and administration was located on the second floor, but all development and permitting functions along with public counters and meeting rooms are located on the first floor. We have pieced together a picture of the San Antonio permit lobby as shown in Figure 5. This facility along with others is included in a DVD we have prepared for permit centers.

Figure 5
San Antonio Permit Center Lobby



We understand that Austin has discussed a plan to either build a building or locate a building for the Planning and Development Review Department with a one floor approach. We are very supportive of that approach.

30. ***Recommendation:*** **The City should continue to pursue the option of finding a way to relocate the Planning and Development Review Department to one floor type layout.**

If a new building proves not to be feasible, we have indicated a number of remodeling needs within the current building. These are listed in other sections of this report.

"One-Stop-Shop" Signs

The words, One-Stop-Shop were originally used in 2004 to designate the development related functions in the Watershed Department. When PDRD was created, these words continued to be used to describe the same functions. The Planning and Development Review Department is located on five floors in the One Texas Center building. The signs on four of the floors say "One-Stop-Shop." This is very confusing to customers and is not consistent with the way these words are used in many communities throughout the country. We suggest these words no longer be used on signs and replaced for words directly related to the functions. For example, PDRD Permit Center, PDRD Development Assistance Center, etc.

31. ***Recommendation:*** **The words, "One-Stop-Shop" should be removed from signs and replaced with words related to specific functions.**

Space

There are a variety of recommendations in this report to re-configure some of the existing PDRD spaces in One Texas Center. It also appears that some additional staff is needed, at least until new efficiency approaches are implemented, along with the Internet plans and electronic plan review. We are not in a position to examine the space needs in detail, and any remodeling could be contingent on possible plans for a new facility. In the interim, as the implementation program is put together for this report, the possible use of extra space through the use of work trailers in the parking lot should be explored. Some Stakeholders are concerned about a reduction in parking spaces so this may require a detailed parking study as well as options of locating certain functions in other government buildings. In the longer term, it is hoped that electronic plan submittal and plan check can reduce both staff and parking needs.

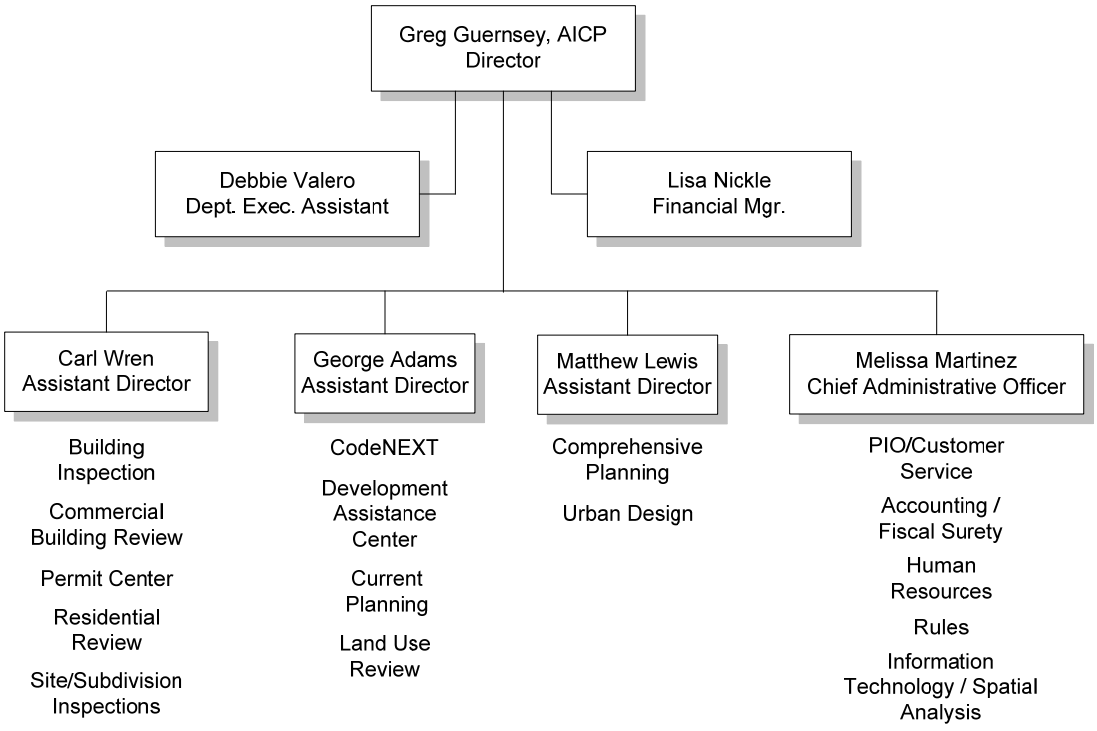
32. ***Recommendation:*** **Explore the possible use of temporary work trailers or office trailers in the parking lot to handle space needs.**

J. ORGANIZATION ISSUES WITHIN PDRD

Upper Management/Leadership

The overall organization of the Planning and Development Review Department (PDRD) is shown in Figure 6. This may not match the current staffing but was accurate at the time we did our research. The Department is headed by a Director who reports to an Assistant City Manager. Reporting to the Director are three Assistant Directors, a Chief Administrative Officer, a Financial Manager, and an Executive Assistant. This is a typical organizational structure found in many similar departments. During most of our study, two of the Assistant Director positions were vacant.

Figure 6
Existing PDRD Organization



All else being equal, we believe that the upper level of organizations should be set by the style and wishes of the Director. However, for the Planning and Development Review Department there are several changes that should be considered:

- In large organizations such as PDRD (341 employees), it is not unusual that the Director must spend a high percent of time on external policy and political issues, leaving inadequate time for operations. This is the case in PDRD and there is a lack of strategic planning and management in the Department. Organizations have handled this issue in a number of ways including:

  a. Having a Deputy Director who handles operations while the Director focuses on leadership, political and external issues;

  b. Forming a tightly knit team of the Assistant Directors and the Administrative Officer who handle all the operational issues as a team. While we have seen this work in two or three person teams, it is more difficult with four positions; and

  c. Having a Director who is highly skilled at both operations and political external issues. This works better in smaller organizations but tends to be difficult in large organizations like PDRD. It is difficult to find directors who are competent in external issues (politics and vision) as well as operations (managers).

For PDRD we suggest a modified approach be used. The One-Stop-Shop and Support Services Divisions should report to a Deputy Director/Operations Manager with the Comprehensive Planning and Current Planning reporting to the Director. This also matches our suggested approach to the budget as outlined in an earlier section.

33. *Recommendation:* PDRD's budget should be changed to add a Deputy Director for operations to include the One-Stop-Shop and Support Services.

We also have observed that it would benefit PDRD for the Director to re-set his priorities. He could delegate his work on grandfathering (245), delegate presentation of zoning issues before the City Council, and in general do less micro-managing of certain functions in favor of more delegation. This would free his time for very important functions including:

- Clarifying the mission and overall change strategy for PDRD;
- Implementing this report;
- Completing and implementing CodeNEXT;
- Implementing the part of the Comp. Plan that goes beyond Zoning, i.e. building over the next 30 years the Austin with a population growth of 750,000 along with 6 Regional Centers, 8 Town Centers, 12 Neighborhood Centers, and 9 Job Centers;
- Building the needed bridges between the development community and the City's strong residential focus;
- Assist the new City Council in their adjustment and leadership;
- Provide much needed community outreach for PDRD; and
- Work to bridge trust with the neighborhoods.

34. *Recommendation:* The PDRD Director should re-set priorities and increase delegation.

Up-date

Since preparation of our draft report the City Manager has split PDRD into two departments. By having an Acting Director focus on the development process and the existing PDRD Director focus on CodeNEXT and other Imagine Austin implementation measures, this can be a useful approach to short term implementation of this report. However, in the longer term, we believe the organizational pattern as outlined in our draft report and repeated above is the best solution for Austin. While we have seen this split work in some communities, it is not our generally recommended approach. It often

creates difficulties in having the intent of the Comprehensive Plan fully implemented in development approvals.

Our analysis of Austin's zoning and development activities and the benefits of having a single leader for these activities should be part of a premier city like Austin's approach to planning and development for the city. Based on our analysis, our previous suggestions remain. A joint department should be headed by an outstanding planning leader with the assistance of a strong Deputy Director for operations.

Building Plan Review and Inspection

Previously the building plan review and inspection functions were located under different Assistant Directors. These functions were merged under one Assistant Director in 2009 to improve communication and efficiency. We are very supportive of that move.

Development Assistant Center

The Development Assistant Center currently reports to the Assistant Director over Current Planning and Land Use Review. We believe a better location would be under the Assistant Director that handles all the building review, permit center, and building inspection.

35. ***Recommendation:*** **The Development Assistant Center should report to the Assistant Director that handles plan review and the permit center.**

Land Use Review Section and Site/Subdivision Inspection Section

The Land Use Review and Site/Subdivision Inspections Divisions currently are located under two different Assistant Directors. Because the functions are so closely related, we believe they should be under the same Assistant Director.

36. ***Recommendation:*** **The Land Use Review Section and the Site/Subdivision Inspection Section should be under the same Assistant Director.**

Support Services and Budget

The various support services functions were previously distributed amongst the PDRD Assistant Directors. However, in May 2014 the functions were consolidated under an

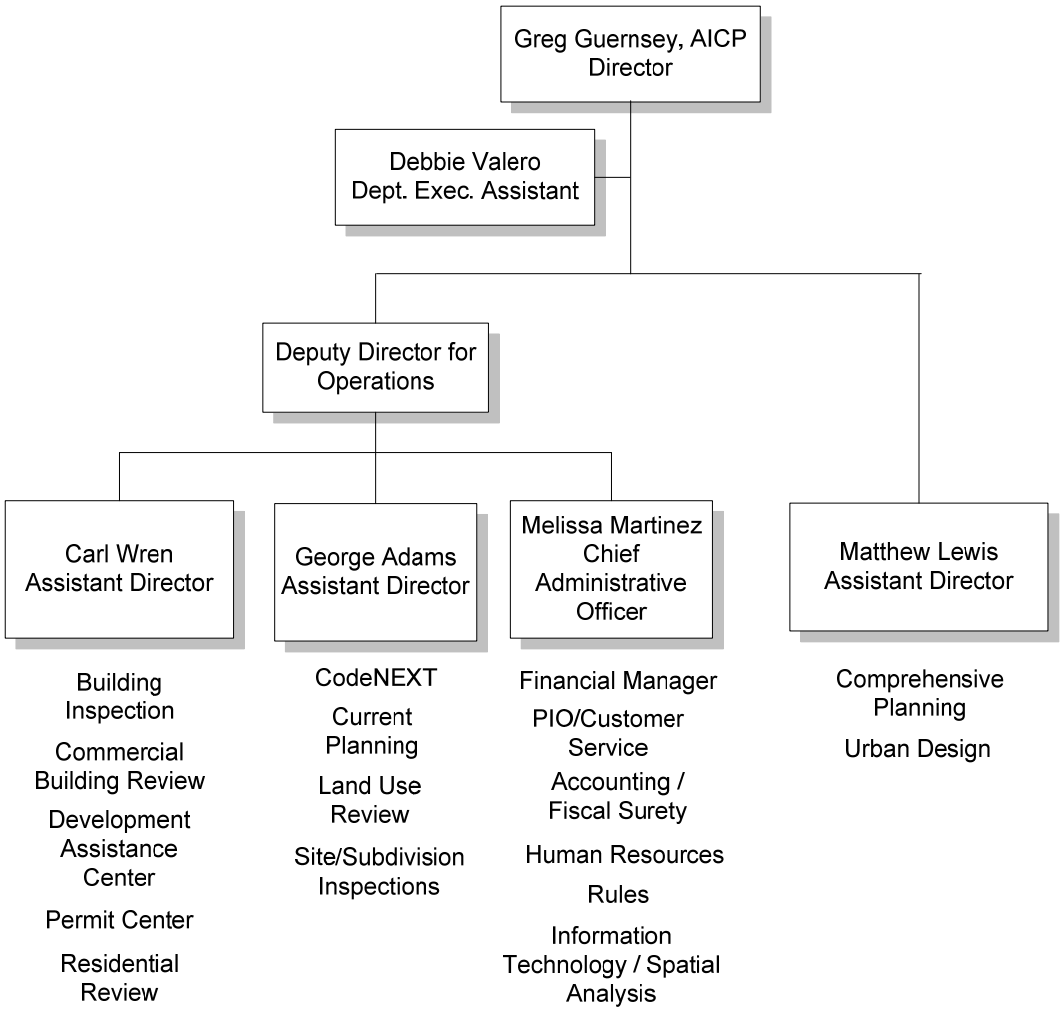
Administrative Officer. We are highly supportive of this approach. However, the Financial Management (primarily budget) has remained as a separate function reporting to the Planning and Development Review Department Director. Based on the employee questionnaires, our interviews and observations, there is a need to better integrate the budget function into the entire department. As such, this function should be consolidated with the other support functions and should report to the Administrative Officer.

37. ***Recommendation:*** **The Financial Manager should report to the Administrative Officer.**

Summary

The resulting organization with the above recommendations is shown in Figure 7.

Figure 7
Proposed Organization of PDRD



Management Meetings

Every Friday morning, for 60 to 90 minutes there is a Lead Team meeting that includes the Director, 3 Assistant Directors, Budget Officer, Chief Administrative Officer, Public Information & Marketing Manager, and the Business System Analyst Supervisor. Generally the Director speaks on his topics and there is insufficient time for round table discussion. There are no agendas used for this meeting. There is no overall discussion of the mission, strategy, or manager training. There are key missing ingredients for the department. We suggest that at least half of the meeting be devoted to these broader topics and always include at least 15 minutes of management training. There should also be more participation by those in attendance.

The first Wednesday of every month there is also a meeting of 18 Division Managers. As with the Lead Team meetings, there is little or no discussion of mission, strategy, or manager and supervisor training and no agenda.

38. ***Recommendation:*** **The topics for the weekly Lead Team meetings and monthly Division Mangers meetings should be changed.**

39. ***Recommendation:*** **There should be an agenda for the weekly Lead Team meetings and the monthly Division Managers meeting.**

Although we believe a director should have wide latitude regarding the kind of meetings he wants to hold. There is a major need in the Department for a true Executive Management team. A more normal approach would be the group indicated above less the Public Information & Marketing Manager and the Business System Analyst Supervisor.

40. ***Recommendation:*** **The PDRD Director should review the attendance list for the Lead Team meeting.**

K. OTHER DEPARTMENTS/SPECIALIZATION

Overview/Theory

There has been a national trend in government in general as well as in the development process to have more and more specialists involved in plan review and inspection. It used to be, and in small communities still is, that a building, engineering, and planning department conducted all the reviews and inspections. Some communities have even combined these into one department.

However, as communities grow in size and reviews become more extensive, it is not unusual to see 10 or more departments or functions involved. One of our clients, a mid-sized Colorado city, even had over 20 separate specialists, just within the engineering functions alone.

The results from this approach is the creation of silos where communication breaks down between staff and where customers and applicants get caught between multiple functions. Typically, no one on the government side is authorized to pull all of this together and make decisions. Instead, everyone fends for themselves, doing what they believe is a

right decision, but in the process it breaks down. In reality, if 20 specialists all have a veto power, it is hard to believe that anything can get built.

The Existing Austin Situation

In addition to PDRD, there are at least 12 other Austin departments or functions involved in some aspect of the development process as shown in Figure 8. There are also additional specializations within these departments. Also, within PDRD there are 8 separate organizational divisions. Some of these Divisions also have specialization, for example there are 7 functional topics or sections within the Land Use Division alone. Furthermore, the Land Use Division has a list of about 100 specialist from other departments that may be involved in some of the applications as listed in Table 13.

Figure 8
Organizations and Functions Involved in Austin's Development Process

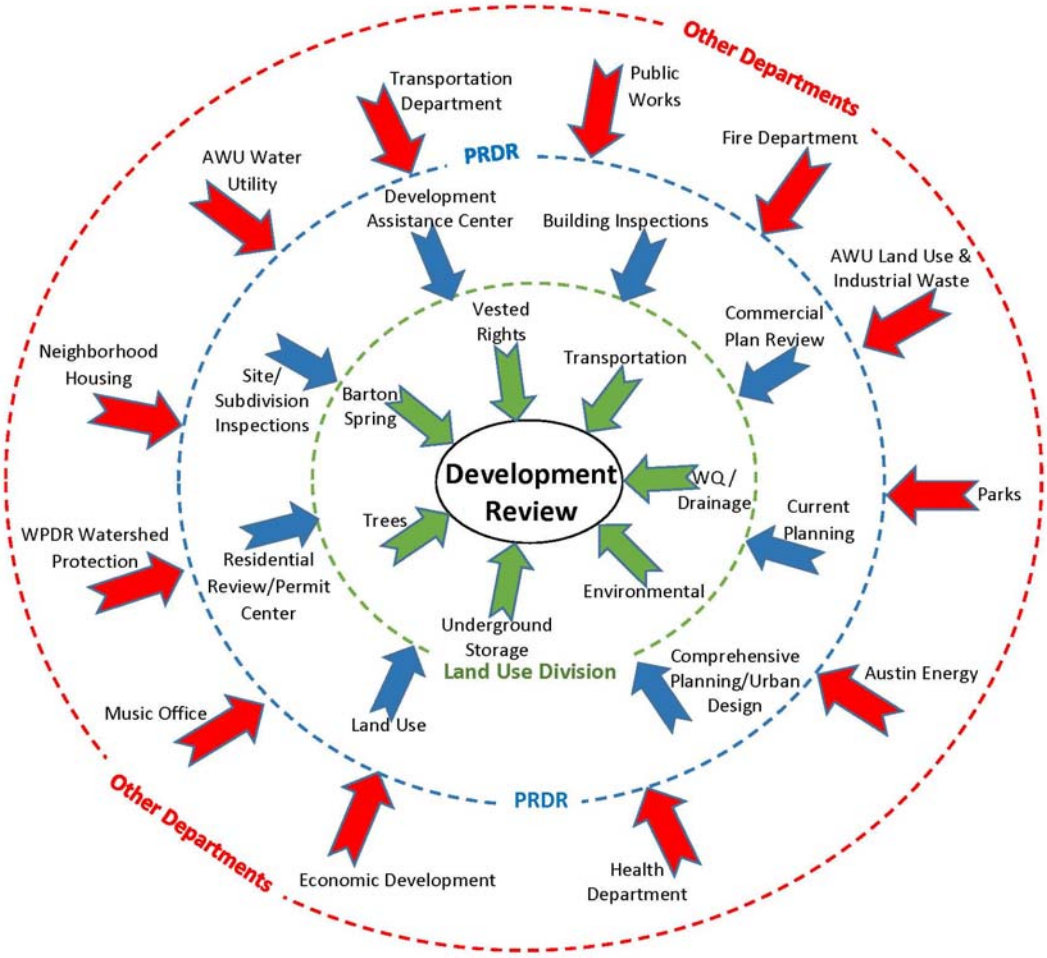


Table 13
Possible Other Department Plan Reviewers for Land Use Division Applications

Organization	Number of Possible Staff
Austin Energy	7
Fire Department	9
Transportation Department	16
Water Utility	49
CTM	14
NHCD	2
Real Estate Services	3
Total	**100**

A look at the Austin Residential Review process illustrates the problem. In Best Practice communities many of the needed reviews are conducted by the plan reviewers with perhaps a separate planning review. Austin reviews typically involve Austin Energy, Austin Water, Fire Department, Land Use, Environmental Hazards, Flood Plains, Trees, Transportation, Historic, and others. Even if Austin wants this level of review, it should be possible to reduce the number of reviewers by cross training or combining functions. Additionally, any of these that review should have times recorded and monitored in the AMANDA system.

The same system of multiple reviews exists for commercial plan review.

41. ***Recommendation:*** **An attempt should be made to reduce or combine the number of reviewers in both PDRD and in other departments for both residential and commercial plan review.**

42. ***Recommendation:*** **All reviewers of plan review should have times recorded and monitored in the AMANDA system.**

Austin History

In 2004 there was an attempt to work these multiple functions and departments into a One-Stop-Shop system. MOU's were negotiated with some of these and some staff were collocated with PDRD staff and are still collocated with PDRD. However, this system was only partially implemented, has remained uncoordinated, and both staff and developers are often left to negotiate through the maze on their own. However, the approached used in these MOU's is excellent and can provide the foundation for new MOU's. The MOU's we were able to locate include the following 13:

- **Austin Energy**/Watershed Protection & Development Review
  11/21/2004 Makes available 1.0 FTE for subdivision and site plan applications, appears to co-locate but is not clear on this point.
  1/20/2005 Co-locates 1.0 FTE in the DAC for the Green Building issues
- **Communication and Technology Management**/Watershed Protection & Development Review
  29/9/2004 Provides for services of three staff to locate in GIS and handle GIS base mapping and addressing.
- **Fire Department**/Watershed Protection & Development Review
  1/11/2004 Provides in part 28 FTEs to locate on the second floor of OTCto handle fire related services.
- **Health and Human Services**/Watershed Protection & Development Review
  9/27/2004 Transitions Food Establishment Permit issuance function to One Stop Development Center
  9/27/2004 Provides for WPDR to issue swimming pool permits.
- **Neighborhood Planning and Zoning Department**/Watershed Protection & Development Review
  1/4/2005 Co-locates 1.0 FTE to DAC to assist the public in understanding the city's neighborhood planning & zoning regulations and processes.
- **Parks and Recreation Department**/Watershed Protection & Development Review
  8/27/2004 Co-locates 1.0 FTE for Boat Dock land use review.
- **Public Works**/Watershed Protection & Development Review
  2/12/2004 Provides for site and subdivision applications with staff to remain in the Public Works Transportation Office.
  2/12/2004 Sets forth responsibilities between WPDR and Public Works.
- **Water Utility**/Watershed Protection & Development Review,

  11/5/2004 Co-locates 15.5 employees to Watershed and sets out responsibilities.
- **Watershed Engineering Division of WPDRD**/Watershed Protection & Development Review

2/1/2005 Transfers one Engineer C to Land Use Review Section for drainage and stormwater reviews.
10/21/2004 Transfers one Engineering Technician B to Land Use Review to review subdivision, site plan and building permits.

Alternative Approaches

1. Setting a Clear Line of Responsibilities

There is considerable confusion between the responsibilities and functions of PDRD and the related departments. There are four aspects to this relationship including:

1. Setting the Construction Standards;
2. Reviewing and Approving Plans;
3. Field Inspection; and
4. Operation of Functions.

One approach to this issue would be to simply have PDRD be responsible for all four aspects. This approach is used in some best practices communities. However, this could be extremely difficult in a complex City like Austin. For Austin we suggest the operating departments continue to set the standards but they delegate all or most plan reviews and inspection functions to PDRD. The operation departments would continue to be responsible for operations. MOU's would be needed to accomplish this and it could result in some plan review staff from other departments being transferred to PDRD. It is also likely that there would be need for some exceptions as discussed later in this section. The approach is illustrated in Figure 9.

Figure 9
Organization of Standards, Reviews, and Inspections

Standards	Reviewers	Inspections	Operations
Operating Departments	PDRD	PDRD	Operating Departments

Standards: The setting of the standards should be a key responsibility of the operating departments. However, if standards are out of date, there is no practical way for a reviewing function to do a competent and consistent review. Austin does have a complex Rules setting procedure that allows all functions to comment on and participate in Rules proposed by any operating department. We were not in a position to review all the Rules but based on interviews and questionnaires, it appears some, or perhaps many, of the Rules need updating. The CodeNEXT project will also likely have a major impact on the

Rules. We suggest that the operating departments have responsibility for the Rules and they should agree to any needed updates to be completed within four months.

As suggested in one staff questionnaire, "The standards are not current. There is a lot of City Maintained infrastructure being built with standards." For example, "The Austin Transportation Department has changed their idea of the definition of a street, thus the geometry tables and limits, but has not updated their Criteria Manual and every project requires waivers from them."

43. ***Recommendations:*** **The operating departments should be responsible for the construction standards (Rules) that relate to their responsibilities and they should be up to date at all times.**

Reviews: The application reviews and approvals should all be consolidated within PDRD. Today, many of the operating departments as well as PDRD are involved in plan reviews. The external departments would no longer review projects except for a few isolated incidence's that could be specified in MOU's. The MOU's will also address the topics of staff and funding. While the external departments would continue to fund the reviews, some of their staff that currently are conducting reviews should be transferred to PDRD. A typical type of MOU we have used elsewhere is shown in Appendix J.

Part of the problem was created when Watershed Protection and the Planning Review Department were in 2 departments. The Environmental Review Code mentions 2 different directors. Evidently there has been discussion of an MOU to clarify this but it has not progressed.

44. ***Recommendation:*** **All, or most, development application plan reviews and approvals should be consolidated within PDRD and the processes should be memorialized in MOU's.**

45. ***Recommendation:*** **Review staff currently in operating departments should be transferred to PDRD as needed.**

Field Inspection: Field inspection would be a PDRD function. Although this is currently more or less the case, there are many exceptions where an operating department duplicates or does not trust or rely on a PDRD inspection. These would all be clarified in operational MOU's.

46. ***Recommendation:*** **Infrastructure field inspection for private development should be consolidated in PDRD's Site/Subdivision Review Division.**

Operations: Operations would continue in the operating departments as currently practiced.

2. MOUs

The use of MOU's can be a good way to work out relations between functions. One of the more successful approaches from our consulting practice was when we created a new development department for Columbus, Ohio. We negotiated MOU's between the new department and the Public Services Department (engineering and transportation), and the Utilities Department. The MOU's basically collocated staff from both departments to the new department. Although the staffs remained staff of the parent department, supervision was from the new department. The MOU's spelled out how much authority the new department and the collocated staff had and also the timelines for process reviews.

3. Integrated Reviews, Calgary, Canada

One of our clients, Calgary, Canada, has developed an integrated review process called CPAG. In 2010 we were asked to conduct a review of this system. We found many good features but it may be difficult to duplicate in the U.S. systems. Nevertheless, it offers some ideas that may have merit for Austin.

The Calgary system began in 1997 and was designed to address projects where reviews were required by more than one function or specialist. It was intended to address customer concerns and to specifically integrate the planning, engineering, transportation and park issues along with related specialists. A number of four person teams were created representing these four specializations. The teams were collocated and processed projects as a team. Each team had full decision making authority. The goal was for the team to make a "corporate decision," or a decision to the overall benefit of the City. The teams had more flexibility in decision making than occurs in the Austin codes and rules.

As is the case in many communities, Calgary also had many specialists including:

- 34 specialists in planning;
- 17 specialists in parks;
- 23 specialists in transportation; and
- 44 specializations in engineering.

However, in the CPAG system, the four CPAG members made a decision if any other of these 118 specialists were needed, and if needed, one of the four members was responsible for coordinating and integrating the specialist.

An Approach for Austin

We were not under contract to review all the operating departments involved in the development processes. As such, we had only limited contact with these departments and a more detailed review would be necessary to develop and refine these recommendations. Additional consulting assistance will likely need to conduct this review.

47. ***Recommendation:*** **Hire consultants as necessary to analyze the recommendations concerning plan review and inspections using the five steps outlined below.**

We see the changes both within PDRD and with the other departments taking a number of steps. Some of these are already in place.

1. Cross train and delegate some functions so fewer staff are involved. This should take place both within PDRD and within the operating departments and could start immediately.
2. All reviews by both PDRD Divisions and Sections as well as review by all external departments to agree on performance standards which would be recorded and monitored in AMANDA.
3. Collocate any functions from other departments involved in the development process not already collocated in PDRD to PDRD, and relocate related staff.
4. Collocated staff could remain as staff in the operating department but daily management and decision making to be by PDRD managers under an MOU agreement.
5. All operating department plan reviews is totally integrated in PDRD, both staff and decision making.

L. PERFORMANCE MEASURES

Theory

We have discussed performance issues with hundreds of developers and applicants throughout the U.S., Canada, and the Caribbean and consistently they are always interested in two key issues. First, how long will it take to get approval and second, how to get clear consistent answers from the reviewers. These issues will be discussed in various parts of this report. In doing so, a number of key issues need to be addressed.

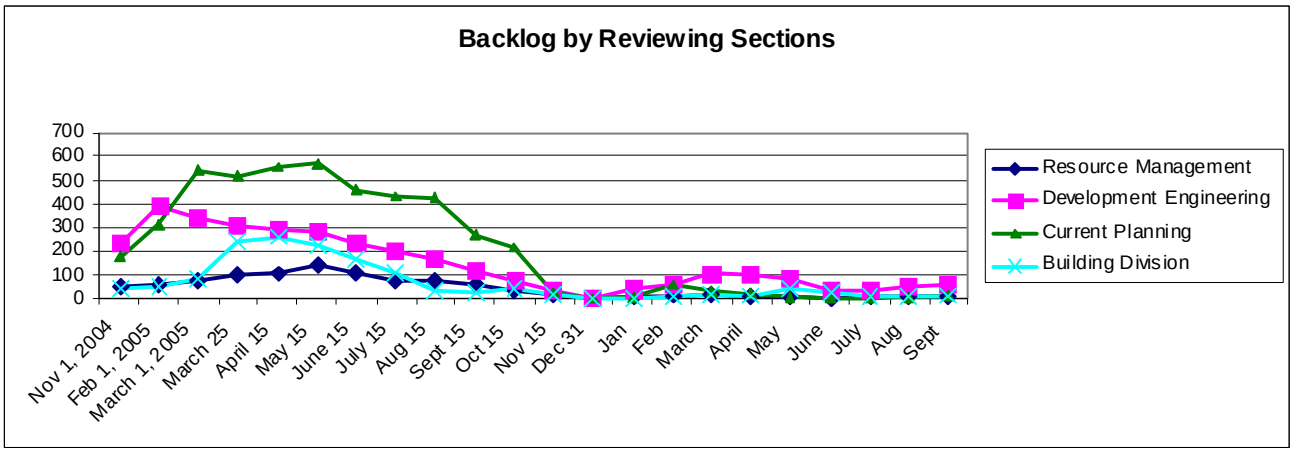
1. Self-Fulfilling Prophecy – Clear Performance Standards

Research has shown that simply having a clear deadline or a clear performance standard can increase productivity without adding additional staff. Although many of the PDRD programs have performance standards, they either measure the wrong things or set timelines that are longer than necessary or productive. These can work against economic development goals and, because "time is money" can actually impact the quality of development.

2. Backlogs

If a process is established with clear performance standards, it cannot function if there is a backlog of cases. An example of this can be seen in Figure 10, which is a chart we completed for another study. Our goal was to reduce the backlog to zero before the new performance standards could be fully operational. As can be seen on the chart, although it took a year to remove the backlog, once accomplished the backlog remained low. This was the best this particular community could accomplish. A better approach would be to remove any backlog in a month or two at the most.

Figure 10
Reducing Backlog



Once a performance standard is set, a simple calculation can be made to determine if there is a backlog in any given program. For any given process, the average number of intake volume per month is calculated. This is multiplied by the process cycle (performance standard) in months or weeks to arrive at the normal number of projects in process at a given point in time. Any number of projects higher than this number can be considered backlog.

In order to estimate backlog the Dept Quality Analyst in the Support Services Division made a calculation on 12/16/2014 for projects with an initial 7 day or 21 day performance

standard as shown in Table 14. Column 3 and 4 were added together to obtain the total cases in review. Column 6 was a calculation of the normal number of cases that should be in process based on the 7 or 21 day standard. Column 6 is deducted from Column 5 to estimate the backlog. As can be seen, all three functions have a very substantial backlog of cases. Unless this backlog is eliminated, it is not possible or reasonable to use performance standards for these functions.

Table 14
Trial Backlog Analysis

1	2	3	4	5	6	7
Type Plan review	**Annual Cases In This Category**	**Cases In Review, First Cycle**	**Cases In Review, 1st, 2nd, 3rd, or 4th. Cycle**	**Total Cases In Review**	**Normal Number of Cases Based Normal case load during normal 7 or 21 day review period**	**Backlog**
Residential	3109	134	44	178	59**	119
Commercial	313	56	41	97	18*	79
Site Plans	409	52	48	100	24*	76

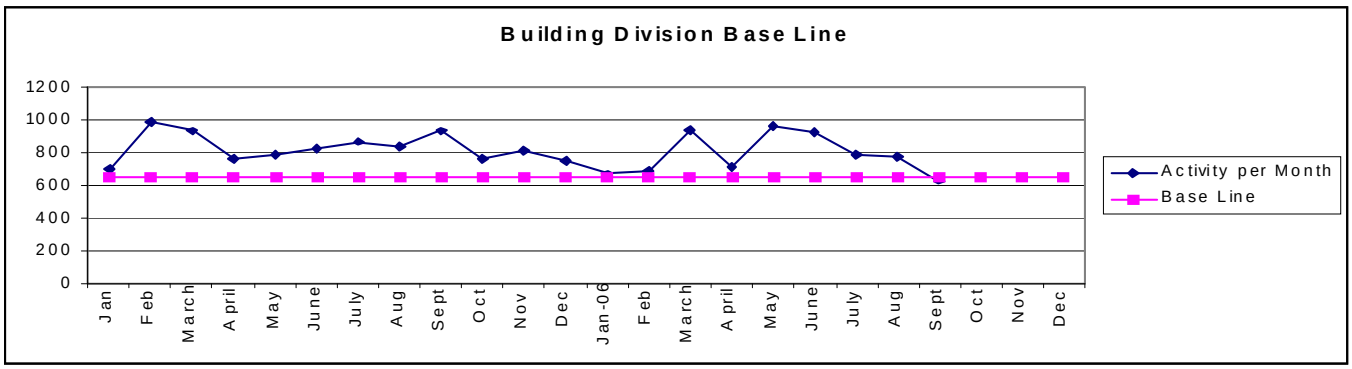
*21 days divided by 365 days in the year equals 5.8%. This is multiplied by the annual cases to arrive at the normal cases using a 21 day review.

**7 days divided by 365 days in the hear equals 1.9%. This is multiplied by the annual cases to arrive at the normal cases during the 7 day performance cycle.

3. Productivity Base Line

Normally a base level of staffing is set as part of the budget process. This base level of staff should be capable of meeting performance standards at least 90 or 95% of the time. Whenever performance standards cannot be met or are projected to not being met, managers should add resources so that performance standards are met. This could be overtime, temporary help, call back employees, or consultants. An example of this for one of our clients is shown in Figure 11. All the applications that were above the base line required the use of consultants or call back staff.

Figure 11
Base Line Staffing



Managers need to be aggressive in managing their workloads in order to meet performance standards.

48. ***Recommendation:*** **The Planning and Development Department managers, as well as related departments, should use the three key performance techniques outlined above.**

Austin Performance Measures

Good performance standards and measures are essential for all well operating contemporary organizations. Austin has an extensive Performance Measures system that is accessible on the Internet. It appears to cover all departments and functions in the City.

We examined the Performance Measures for the Planning and Development Review Department and the development process. There are 50 to 100 measures for many aspects of the Department. These will be reviewed in sections of this report related to specific topics. Some of the measures are appropriate, others should be modified and some new ones should be added. Many of the measures are simply reporting on the number of different types of applications received or processed. While this data is useful, we normally do not consider this type of data performance measures.

The biggest problem we see is simply how the data is presented. Background data is repeated over and over again. The listings are so long that it is hard to access the data. Much of the information could be presented in summary color coded tables that would be much easier for citizens and policy makers to access. While the Department may be required to present the data to meet the overall City approach, it should be possible to supplement the data with a more accessible format. Some communities use a simple

report that uses colors as shown in Figure 12. Green means processes are on schedule, yellow indicates they may be falling behind and red is a sign of serious problems. The goal for this community was to meet performance standards 95% of the time.

Figure 12
Color Coding For Performance Standards

Section		On-Time Performance
Building Division	Commercial	95%
	Residential	97%
Development Engineering	Area Reviews	32%
	Survey Review	98%
	Single Family	93%
Planning Current		95%
Resource Management		90%

Green - Meeting Performance Measure Target
Yellow - Below Target, monitoring required, action plan recommended
Red - Significantly Below Target, action plan required

49. ***Recommendation:*** **The Planning and Development Review Department should present the Performance Measures data in a more usable format similar to the example shown above.**

Development Process Performance

In another section of the website called Development Process Tracking there are tables summarizing development process performance. We show these for six years in Table 15. This is excellent data that we seldom see in our studies. However, there are a number of ways the data could be improved including:

- Average days tend not to be a meaningful measure since it can combine very short timelines and very long timelines. The use of a mean would be better but even this can be misleading. The only value in use of averages could be to give some indication of time to applicants;
- A much better approach is to set a performance standard and then indicate the percent of applications that meet that standard. The tables do indicate the % on-time for Initial Application Review Times which is an excellent way to do it.

However, it would be more useful if the tables also indicated what the % on time is being measured against, i.e. the performance standard. Our normal approach is to meet at least 90% as the desired performance;

- It is not clear what the performance standards are from Initial Application to Final Approval. This should be listed on the table. The 120 days appears to be a standard but we assume this is simply a standard set by the state or ordinance. This is too long for most of the activities; and
- It appears that the days are calendar days. Many communities have converted performance standards to business days which we consider to be best practice.

50. ***Recommendations:*** **The Performance Standards set out in the website should be modified as outlined above.**

It is also not clear from the information in the Department's table as to whether the number of days measured represent business days or calendar days. The language of Section 1-1-2 General Definitions of the Municipal Code implies that anytime the term "day" is stated in the Code it means a calendar day. We will therefore assume the intent was to report timeframes in calendar days. However, we suggest that all references to turnaround times be specified on documents and website information as business days.

51. ***Recommendation:*** **All documents and website postings that reference turnaround times should state that the timeframes are measured as business days.**

Table 15
Development Process Performance

	2009	2010	2011	2012	2013	2014
Days						
Commercial Building	14	15	18	34	33	33
Residential New	17	6	3	5	11	12
Site Plan	21	18	22	28	29	27
Subdivision	22	28	27	30	33	33
Percent That Meet Performance Standard						

	2009	2010	2011	2012	2013	2014
Commercial Building	71%	69%	56%	22%	25%	**23%**
Residential New	75%	67%	94%	84%	82%	**38%**
Site Plan	81%	69%	65%	42%	42%	**39%**
Subdivision	74%	58%	65%	59%	41%	**39%**
Commercial Building	54	56	71	45	94	94
Residential New	12	13	11	14	21	27
Site Plan *	110	114	117	112	114	119
Subdivisions*	127	163	124	102	108	112
Combined Subdivision/Site Plan	206	196	186	188	209	214
Commercial Building	89%	90%	89%	80%	67%	66%
Residential New	99%	99%	99%	99%	96%	95%
Site Plan*	53%	53%	54%	50%	49%	45%
Subdivisions*	63%	50%	72%	65%	51%	57%
Combined Subdivision/Site Plan	29%	29%	34%	32%	25%	23%

*These are times without Extensions. Times with Extensions are longer but the Extensions are requested by the applicant.

The biggest issue with the performance measures for the development process is that the data is collected and analyzed from submission date to completion. However, the amount of time it takes the applicant to make amendments to the application is not analyzed.

Actual Performance

We will comment on specific performance standards and performance in various parts of this report. Of interest in Table 15 is the % On Time data which varies from a low of 22% to a high of 94%. For 2014, the range was a low of 23% and a high of 40%. These are

some of the worse results we have seen in our numerous studies of other cities. The approach should be to set clear performance standards and organize to meet them 90% of the time. This often means adding extra staff, using overtime, or bringing in stand-by consultants to assist in meeting the standards.

52. ***Recommendation:*** **The Department should establish 90% as the target for meeting performance standards.**

53. ***Recommendation:*** **Whenever a performance standard cannot be met, additional staff, use of overtime, or consultants should be added to the function.**

Performance Standards

The performance standards being used by PDRD are shown in Table 16. The standards include Initial Review and then Update Reviews. Having both initial and update review standards is a good approach, however the recording system does not record all the Update Reviews. Table 16 shows the standards for Initial Review and an Update Review. We suggest review times be reduced for each cycle of review as indicated in the table. We also have suggested a few of the standards be changed. We have also converted the standards to business days rather than calendar days. Some of these standards may require code changes. These standards should be reviewed with Stakeholders and then formally adopted.

Table 16
Department Performance Standards In Business Days, Existing and Recommended

Activity	Initial Review	Suggested Initial Review	Update Review	Suggested Update Review, First Cycle	Suggested Second Cycle	Suggested Third Cycle
COMMERCIAL						
Asbestos Certificate	1	1	1	1	1	1
Concurrent Medical Gas	15	15	10	10	5	3
Concurrent/site plan	15	15	10	10	5	3
Demolition	3	3	1	1	1	1

Activity	Initial Review	Suggested Initial Review	Update Review	Suggested Update Review, First Cycle	Suggested Second Cycle	Suggested Third Cycle
Concurrent/site plan, Smart Housing	5	5	2	2	1	1
Quick Turnaround	1	1	1	1	1	1
Quick Turnaround, Smart Housing	1	1	1	1	1	1
Remodel	3	3	0	1	1	1
Seven Day Review	5	5	5	3	2	1
Seven Day Review, Smart Housing	5	5	2	2	1	1
Twenty-one Day review > $1 Million	15	20	15	10	5	3
Twenty-one Day review < $1 Million	15	15	10	5	3	1
Twenty-one Day review, Smart Housing	5	5	5	5	3	1
RESIDENTIAL						
Addition	5	5	5	5	3	1
Demolition	3	3	0	1	1	1
Relocate	3	3	0	1	1	1
Remodel	2	2	2	2	1	1
Residential	5	5	5	5	3	1
Smart Housing	5	5	5	5	3	1
Volume Builder	5	5	5	5	3	1
Volume Builder, Smart Housing	5	5	5	5	3	1

Activity	Initial Review	Suggested Initial Review	Update Review	Suggested Update Review, First Cycle	Suggested Second Cycle	Suggested Third Cycle
SCHOOL						
Concurrent School	15	15	10	10	5	3
Non Concurrent School	15	15	10	10	5	3
Non Concurrent Medical Gas	15	15	10	10	5	3
SITE PLANS						
Small Project	9	10	10	5	3	1
Other Site Plans	20	20	10	10	5	3
SUBDIVISIONS						
Preliminary <60 acres	15	15	10	10	5	3
Preliminary >60 acres and <250 acres	20	15	10	10	5	3
Preliminary <250 acres	25	20	10	10	5	3
Vacation	15	10	10	5	3	1
All Others	20	15	10	10	5	3

54. ***Recommendation:*** **The City should review the performance standards shown in Table 16 with Stakeholders and then formally adopt them. Best Practice communities also post them at counters and on the website.**

M. SMART HOUSING

Overview

S.M.A.R.T. Housing is a City of Austin developer incentive program governed by ordinance and administered by the City's Neighborhood Housing and Community Development department. It was first introduced to the City in 2000 and set by resolution

in 2004 and by ordinance in 2007. It provided developer incentives of development fee waivers and expedited development review in exchange for housing that includes:

- 10% of unis affordable o households at 89% MFI and below;
- Minimum 1-Star Austin Energy Green Building rating; and
- 10% of units must meet building code accessibility requirements and all units must meet SMART Housing visitability requirements.

Issues

According to information supplied by the Neighborhood Housing and Community Development Department, feedback gathered from staff and the development stakeholders indicated the following challenges:

- Certified projects are no longer experiencing expedited review or development review advocacy from the City's Planning & Development Review, Law Department, Austin Energy, and Austin Water Utility;
- Frequent development review staff turnover makes consistency challenging;
- Expedited review is the most valued incentive; and
- Difficulty in securing review times from PDRD.

Suggests From The Feedback

- Reinstate a dedicated review team with representation from various departments as well as an ombudsman or similar position;
- Clearly lay out expectations up front so reviewers and developers could work together to identify ways to expedite a project; and
- Many developers would be willing to pay a fee for predictable review times.

Although we did not specifically talk to Stakeholders about SMART housing, the analysis above is very consistent with the findings in other parts of this report. Of particular importance are the recommendations on expediting found in Section E of this chapter. Organizational recommendations to focus most review staff within PDRD will also be important as related to this issue.

N. STAFFING

Staffing for PDRD is shown in Table 17 and will be discussed in separate topic Chapters.

Table 17
Department Staffing

Activity	2009	2010	2011	2012	2013	2014
Comprehensive Planning						
Neighborhood Assistance Center			4	4	4	4
Neighborhood Planning			21	20	20	22 (20)
Urban Design			9	9	9	9
Total			**33**	**33**	**33**	**33**
Current Planning						
Annexation			2	2	2	2
Code Amendment			1	1	1	1
Zoning Case Management			11	11	11	11
Total			**14**	**14**	**14**	**14**
One-Stop-Shop						
Building Inspection			48	51	51	60
Commercial Building Plan Review			16.5	19.5	19.5	19.5
Development Assistance Center			17.5	18	18	22
Land Use Review			66	62	62	65
Permit Center			12.25	13.25	13.25	14.25
Residential Review			16.25	17.25	21.25	18.25

Activity	2009	2010	2011	2012	2013	2014
Site/Subdivision Inspection			60	58	58	62
Total			**236.5**	**239**	**243**	**261**
Support Services						
Support Services			20	23	28	33
Total			20	23	28	33
PDRD Department						
CAMPO			16	16	16	16
Rest of PDRD			304.5	309	318	341
Grand total			**320.5**	**325**	**334**	**357**

O. STAKEHOLDERS

Austin has a large number (we estimate 810) of stakeholders interested in the planning and development process. The groups are described below.

Industry Groups

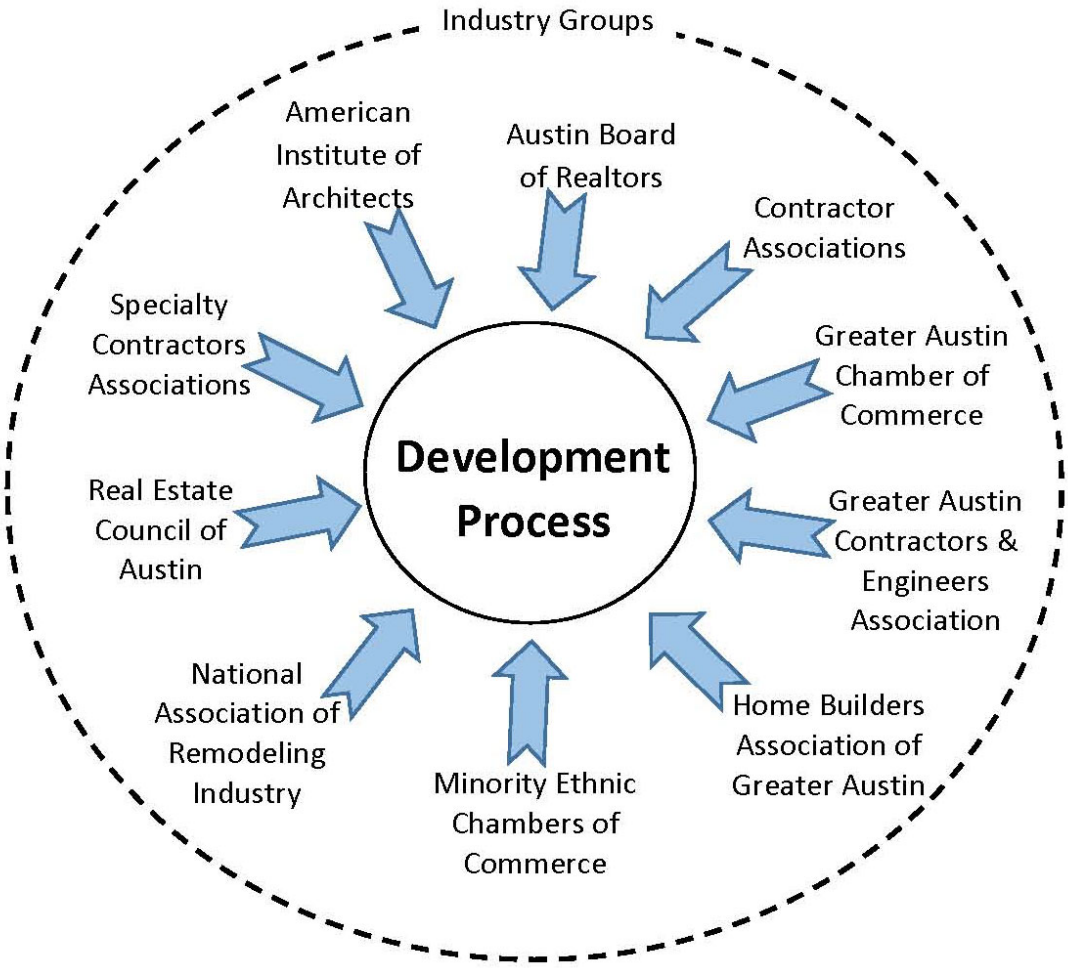
We met with 10 industry groups in preparing this study as shown in Figure 13. PDRD needs to communicate and work with these groups by having comprehensive email lists, developing joint training sessions on new codes or policies, and periodically attending industry meetings. PDRD needs to do a better job of relating to these industries. Twenty other industry groups in Austin include:

- Air Conditioning Contractors of America
- American Society of Landscape Architects
- Asian Contractors Association
- Associated Builders and Contractors
- Associated General Contractors

- Austin Area Black Contractors Association
- Austin Asian American Chamber
- Austin Gay & Lesbian Chamber of Commerce
- Austin Independent Business Alliance
- Central Texas Commercial Association of Realtors
- Greater Austin Asian American Chamber of Commerce
- Greater Austin Black Chamber of Commerce
- Greater Austin Hispanic Chamber of Commerce
- Greater Austin Merchants Association
- Guadalupe Neighborhood Development Corporation
- Institute of Real Estate Management
- International Brotherhood of Electrical Contractors – Local Union 520
- Plumbing, Heating and Cooling Contractors Association of Texas
- U.S. Hispanic Contractors Association of Austin
- Women's Chamber of Commerce of Texas

55. ***Recommendation:*** **PDRD needs to develop a methodical program to relate to the relevant industries.**

Figure 13
Austin Industry Groups



Neighborhoods/Citizens

Neighborhood organizations in Austin are illustrated in Figure 14, and described below. These are some of the most extensive neighborhood organizations we have seen in our many studies. In our stakeholder meetings, the neighborhood representatives expressed major concerns about PDRD as related to transparency and providing useful data. This is an unhealthy relationship that works against building a better Austin. Some communities have a much more extensive and organized way to relate to citizen concerns. Examples that Austin may want to review include San Diego, California and Washington D.C.

56. ***Recommendations:*** **PDRD should review its approach to working with neighborhoods in an attempt to strengthen relations.**

Neighborhood Plans: there are 29 officially-adopted neighborhood plans in Austin. Many of the plans are in the central core and can be roughly broken down to 8 north, 13 central and 8 south.

Contact Teams: Each neighborhood plan has a citizen contact team that are stewards of the plan. They work with the City staff towards the implementation of the plan recommendations, review and initiate plan amendments, serve as community points of contact, and work on behalf of other neighborhood stakeholders. Each group has adopted Bylaws. The Planning and Development Review Department publishes a quarterly newsletter (Plan-It) to highlight neighborhood Plan Contact Teams information.

Austin Neighborhood Council (ANC): The Neighborhood Council is an independent community-based organization of "member" neighborhoods broken down into 10 sectors and each sector has a "sector representative." It represents many neighborhood interests but not all.

Neighborhood Groups: There are 244 neighborhood organizations listed on the City website, not all of which are dues-paying members to ANC.

Community Registry: The community registry is a tool the City uses to communicate to neighborhoods and others to be notified of land use issues relating to their area. Any group can register, and declare themselves a "neighborhood" association, creating its own boundaries and registering itself on the City's "community registry." There are over 500 groups on this list and some feel the list is quite outdated.

Figure 14
Neighborhood Organizations

Other Groups

There are a variety of other groups interested in Austin's planning and development process including the 36 listed in Table 18. It is important that PDRD have a clear strategy as to how to best relate to these groups.

Table 18
Groups With Some Interest in Austin Planning and Development

- AARP
- ADAPT
- Alliance for Public Transportation
- Austin Apartment Association
- Austin CHDO Roundtable
- Austin Community College

- Austin Habitat for Humanity
- Austin Heritage Tree Foundation
- Austin Revitalization Authority
- Austin Sierra Club
- Bike Austin
- Building Owners and Managers Association
- Central Health
- Certified Commercial Investment Members Institute
- Clean Water Action
- Community Advancement Network
- Congress for the New Urbanism Central Texas Chapter
- Downtown Austin Alliance
- Foundation Communities
- Green Doors
- Hill Country Conservancy
- Housing Works
- Livable City
- Movability Austin
- PODER
- Preservation Alliance
- Save Barton Creek Association
- Save Our Springs Alliance
- Seton
- St. David's
- State of Texas
- University of Texas
- Urban Land Institute – Austin District
- USGBC-Central Texas Balcones Chapter
- Walk Austin

57. ***Recommendation*: PDRD should develop a clear strategy as to how to best relate to a variety of groups interested in Austin planning and development.**

P. TERMINOLOGY

There is a lack of consistency in the way the Planning and Development Review Department presents data. Similar items are often given different titles on handouts, the website, and other documents. There is confusion related to how the words One-Stop-Shop and OSS are used. Consistent terminology is not only useful for Stakeholders but also for staff.

58. ***Recommendations:* The Planning and Development Review Department should use consistent terminology for all publications, signs and the website.**

Q. WORKLOAD

The Department posts a monthly item on the website called Development Process Tracking that indicates the monthly development activity as well as review and cycle times. The annual activity is shown in Table 19. This data is used throughout this report.

Table 19
Annual Development Activity

Activity	2009	2010	2011	2012	2013	2014*	% Change 2014 vs. same time in 2013
New Zoning	181	212	189	173	191	217	11%
New Subdivision	184	219	217	267	315	367	12%
New Site Plan	439	413	425	415	502	530	7%
Sub Total, Land Development Applications	**804**	**844**	**841**	**855**	**1008**	**831**	**9%**
New Construction	292	234	263	303	326	280	-11%
Remodel/addition	2235	2566	2550	3180	3203	2961	-10%
Sub Total, New Commercial Applications	**2527**	**2800**	**2813**	**3483**	**3529**	**3241**	**-10%**
New Construction	2178	2129	2076	2515	3231	3280	-3%
Additions	3556	4593	5659	4904	5046	5155	-1%
Sub Total New Residential Applications	**5734**	**6722**	**7735**	**7419**	**8277**	**8435**	**-2%**
Single family building permits	1827	1666	1574	2126	2544	2492	-8%
Duplex building permits	120	32	51	128	126	126	17%
Multi-Family building permits	58	60	101	148	282	281	-1%
Sub Total Building Permits Issues	**10697**	**11801**	**13087**	**13740**	**14726**	**15525**	**4%**
Inspections Performed	177891	150763	131519	186737	220881	228314	6%

* through June 14