

Audit Report

# Permitting Process Improvements

August 2019



City development staff provide services to customers to ensure that development and construction projects are in compliance with applicable requirements in City and building codes. In 2015, a consultant issued a comprehensive report identifying opportunities to improve customer outcomes and satisfaction with these services. We found that the Development Services Department (DSD) has implemented changes to the permitting process, but aspects of the process most important to customers, including timelines and cost, remain an issue. City staff are not consistently achieving established service level goals for reviewing plans. Also, DSD does not actively track plan review times and does not seem to collect data in a way that could identify where specific delays exist. We also noted that current Code requirements continue to drive complexity in the process and most of the fees have increased for common permit types. In addition, while permitting requirements exist to mitigate potential health and safety issues, some people are not participating in the process.

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## Objective

Have actions taken to improve the permitting process as a result of prior audit and consultant reports resulted in improved services?

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## Background

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One of DSD's goals is to promote the use of technology to increase the efficiency of the development process.

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The Development Services Department (DSD) works to ensure homeowners, business owners, and contractors are in compliance with applicable City and building codes for all types of construction projects. The mission of DSD is to provide high quality, positive, timely, and facilitative development review and inspection services to build a better and safer Austin. For some projects, these services are provided by DSD staff as well as staff from other City departments. DSD performance measures include reducing the number of reviews required for various types of projects, providing building inspections within twenty-four hours, and increasing the number of permits issued online.

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DSD was assigned some or all responsibility for 397 of the 462 Zucker Report recommendations.

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In 2014, the City of Austin contracted with Zucker Systems to identify improvements to the City's development process. The Zucker team conducted a comprehensive organizational and operational analysis of what was then the Planning and Development Review Department. In 2015, the City reorganized that department into two separate departments, the Planning and Zoning Department and DSD. Shortly after, the "Planning and Development Review Department Workflow Organizational Assessment," commonly known as the Zucker Report, was issued. The Zucker Report included 462 recommendations for City consideration and shortly after, DSD and PAZ developed an Action Plan detailing the City's response to the report. In February 2019, DSD issued a final report on all of their assigned Action Plan items.

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The Office of the City Auditor issued audits of the City's One Stop Shop in 2009 and Building and Development Fees in 2014.

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In their report, the Zucker team noted that "...there have been problems with Austin's development process for many years. Although there have been many improvements through the years, the system remains a major problem." The report also noted Paul Zucker had led a team of experts and issued a report in 1987 that identified issues that still existed in 2015. In the 27 years between the two Zucker-led reports, at least three other efforts had been undertaken to improve Austin's development process.

Speaking to improving the development process, the 2015 Zucker Report concluded that “Austin must decide if it really is serious this time. If so, some dramatic actions as outlined in this [Zucker] report will be necessary.”

The Zucker Report cited two key customer complaints about the development process:

1. It takes too long to get an approval and
2. There is inconsistency in requirements and new items are added during each cycle of review.

As part of their recommendations to address issues with the process, the Zucker team identified seven key priority areas for improvement. The findings reported in this audit sought to answer if Austin’s response was “serious this time” and if customer outcomes had improved. We focused on City efforts to address timeline and other customer experience issues over the four years since the 2015 Zucker Report was issued. A summary of the outcomes for the seven key priority areas is included as Appendix A.

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## What We Found

### Summary

The Development Services Department has implemented changes to the permitting process, but aspects of the process most important to customers, including timelines and cost, remain an issue. City staff are not consistently achieving established service level goals for reviewing plans. Also, DSD does not actively track plan review times and does not seem to collect data in a way that could identify where specific delays exist. We also noted that current Code requirements continue to drive complexity in the process and most of the fees have increased for common permit types. In addition, while permitting requirements exist to mitigate potential health and safety issues, some people are not participating in the process.

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### Finding

The Development Services Department has implemented changes to the permitting process, but aspects of the process most important to customers, including timelines and cost, remain an issue.

In the last four years, the Development Service Department (DSD) has undertaken efforts to address the urgent, customer-focused actions as noted in the Zucker Report. However, some of these efforts have taken time to implement or have not resulted in improvements that are important to customers. City staff are not consistently achieving established service level goals for reviewing plans. DSD does not actively track plan review times and does not seem to collect data in a way that could provide reliable information about where specific delays exist in that process. Stakeholders cited the complexity of current Code requirements, departmental coordination, and concerns about staffing and supervision as the main causes why it takes time to get through the process. We also noted permit costs as a common customer complaint and most permit fees have increased as compared to FY 2016. Finally, we did not see substantial improvement in customer satisfaction with permitting services and some customers expressed not seeing value in participating in the process.

## DSD Actions To Address Zucker Report Recommendations

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DSD staff noted being trained in both technical and customer service topics.

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We found that DSD took actions to address issues identified in the permitting process. When DSD became a separate department, management identified training and the number of staff as priority areas. Staff reported receiving training related to issues noted in the Zucker Report. However, significant staff additions were only made within the last year. Also, DSD management identified the current facility as a barrier to providing effective customer service. DSD worked to implement systems that limit or eliminate the number of physical trips a customer must make to the permitting service center. DSD also implemented several customer-centric improvements to the current service center including new waiting rooms, way-finding signage, and parking improvements. A new development services facility was approved and is expected to be ready to serve customers by mid-2020.

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The expedited plan review process includes additional fees and not all customers may be able to afford the extra cost for expedited service.

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To address the main customer concern about the time that it takes to get a permit, DSD management reported engaging with stakeholders to establish realistic service level expectations. As a result of this process, DSD noted that customers agreed to extended plan review timelines and DSD committed to achieving those new service level goals. Also, DSD implemented an expedited plan review process which showed initial success in accelerating the plan review and permit process. However, DSD staff noted that customer wait times for an appointment eventually reached a month or more. We spoke with some customers who noted they could get a permit faster through the normal plan review process and save the extra cost of the expedited process. These customers added that timelines for the normal plan review process had not improved compared with previous years. DSD reported adding a second expedited plan review team in March 2019 which may help improve customer wait times and overall timelines.

DSD also implemented multiple technology solutions and reported that some of these changes helped reduce the number of people visiting a City facility. However, not all solutions were initially successful. In 2015, the Zucker Report identified electronic plan submission and electronic plan review as priorities. According to DSD staff, customers stopped using an early attempt at electronic plan submission because the software application was too complex even for the most frequent customers. In late 2018, staff noted that commercial plans were being submitted electronically. Staff also cited a goal to have a paperless process before their 2020 move to the new development services facility. Electronic plan review is included in that goal, but is not fully implemented due to known software issues.

Another technology solution familiar to visitors to the service center is an automated system that tracks customer appointment wait times. Customers indicated this system has been an improvement, but also noted some inconsistencies. We observed that the wait times and wait status listed in the system did not always match the actual customer experience. In addition, DSD staff indicated this system is not always reliable. They noted the system was designed for applications where a customer only

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Staff reported that DSD has 43 possible queues that could be tracked.

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needs to be in a single queue. However, the Austin permitting process typically requires customers to be in multiple queues managed by different groups. DSD staff indicated that this queuing system was being evaluated to determine if it should be used when the new development services facility opens.

### **Development Plan Review Service Level Goals are Not Consistently Met by All Departments**

To see if service level goals were being met, we looked at the most recent twelve months of on-time “Key Success Metrics” reports<sup>1</sup> published by DSD (see Appendix B for one of the monthly reports). Reported metrics for most of the customer response and wait time goals were met during this period. We also looked at the reported on-time service levels for DSD and other reviewing departments for the three types of plan reviews – Commercial, Residential, and Site & Subdivision.<sup>2</sup> The service level goal was to complete 90% of all plan reviews on time, but this goal was not met consistently, as detailed below.

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Commercial plan review deals with multi-family and commercial construction plans.

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- **Commercial Plan Review:** For the four departments involved in reviews for commercial projects, only DSD reported an average service level that met the goal (see chart below in green). Service levels for the other three departments lagged the goal by about 10 percentage points. Also, none of the reviewing departments consistently achieved the service level goal on a monthly basis. DSD achieved this goal in six months out of twelve.

Reviewing Department	Service Level (Goal = 90% on time)	Months Goal Was Met
Development Services	92%	6
Austin Water Utility	82%	5
Austin Fire	80%	4
Austin Public Health	79%	4

SOURCE: OCA analysis of published DSD Key Success Metrics, March 2019.

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Residential plan review deals with new construction, additions, or interior remodeling of homes.

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- **Residential Plan Review:** For the five departments involved in reviews for residential projects, service levels were somewhat lower than for commercial reviews. Only Austin Water reported an average service level that met the goal (see chart on the following page in green). Service levels for the other four departments lagged the goal by between 6 and 16 percentage points. Also, most of the reviewing departments did not consistently achieve the service level goal on a monthly basis, with three departments missing the goal in 11 reporting periods.

<sup>1</sup> We analyzed the reports published from April 2018 through March 2019.

<sup>2</sup> DSD has initiated amendments to the Land Development Code for Council consideration on August 22, 2019, to implement modifications to the City’s review process necessary to be in alignment with House Bill 3167 passed in the recent legislative session which takes effect on September 1, 2019.

Reviewing Department	Service Level (Goal = 90% on time)	Months Goal Was Met
Development Services	84%	4
Austin Water Utility	90%	8
Austin Fire	76%	1
Planning & Zoning	74%	1
Watershed Protection	74%	1

SOURCE: OCA analysis of published DSD Key Success Metrics, March 2019.

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Site & Subdivision includes a team of technical and professional staff that reviews plans for compliance with land development code requirements.

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- Site & Subdivision Plan Review:** For customers planning to develop an entire subdivision, more City departments are involved in the review process than for commercial or residential projects. For these nine reviewing departments and Travis County, service levels were mixed. Four departments reported an average service level that met the goal (see chart below in green). Service levels for four other departments lagged the goal by between 11 and 20 percentage points and reported service levels for Planning and Zoning and Travis County showed a need for improvement. Similarly, two departments consistently achieved the service level goal for the monthly reporting periods while five departments and Travis County consistently did not meet the goal on a monthly basis.

Reviewing Department	Service Level (Goal = 90% on time)	Months Goal Was Met
Development Services	73%	0
Austin Water Utility	99%	12
Austin Fire	72%	0
Planning & Zoning	46%	0
Watershed Protection	95%	11
Austin Transportation	79%	4
Communications and Technology Management	90%	7
Parks and Recreation	90%	9
Austin Energy	70%	1
Travis County*	16%	0

SOURCE: OCA analysis of published DSD Key Success Metrics, March 2019.

\* Not a City department, but tracked as a reviewing entity.

### **DSD Does Not Actively Track Review Times to Identify Specific Causes for Delays**

In the customer-oriented permitting process, results are generally focused on timelines. Customers we spoke with overwhelmingly expressed wanting to know when they could get their permits, which would allow their projects to move forward. We sought to analyze the review times associated with selected permits to identify areas driving delays in the process. As we worked with DSD staff to collect this information, staff

advised us that some of the data in the City's electronic system, AMANDA, would not be accurate for our purposes. They indicated some departments use the start and end dates differently than other departments to track review times and some parts of the process are not tracked in the system. Also, we learned there may be multiple reviews from different groups within a single department and the individual review level information may not be reflected in the data. Due to these issues with the data, we did not do this analysis.

Instead, we worked with multiple DSD staff to determine if the department generates a system report to identify specific delays in the process. Staff stated that DSD does not currently generate such a report or actively use system data to monitor or determine where specific project delays occur.

Also, we noted that DSD publishes information related to issued permits on the City's Open Data Portal. We identified eleven commonly issued permits and sought to calculate the average number of days they took to process in both FY 2016 and FY 2018. The Open Data information lists both "applied" and "issued" permit dates, but we noted that the applied date appeared to be pulled from one of several date fields listed in the AMANDA system. We tested a small sample of Open Data "applied" dates and over half did not match the date listed in the "applied date" field in AMANDA. The differences among the two dates ranged from 2 days to nearly 5 months. We determined that we could not rely on the dates listed on the Open Data Portal for purposes of calculating process times.

### **Identifying Other Issues That Cause Delays**

We spoke with DSD management and customers to explore their perspectives about issues that cause delays in the process. All stakeholders noted structural issues with the current version of City Code<sup>3</sup> related to the development and permitting process. The three main issues cited were the size of the Code, ambiguity or vagueness in its requirements, and prioritization among conflicting sections. Customers noted frequently dealing with additions to the Code as well as having to navigate more requirements than in other cities. They also cited inconsistencies in how City staff interprets and applies the Code requirements. DSD management agreed that the complexity of the Code has resulted in reviews or interpretations that are not always consistent among reviewing staff. For example, staff noted a project involving a driveway may include priority conflicts among tree, utility, and other right-of-way requirements. The process to settle these issues is done largely case-by-case which can take time and may result in a resolution that is not consistent with how other similar cases were resolved.

DSD management noted departmental coordination as key to addressing designated authority and Code prioritization issues. While there are

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Stakeholders cited Code requirements, coordination among reviewing departments, and staffing concerns as causes for delays in the permitting process.

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<sup>3</sup> In order to address some of these structural issues, the Austin City Council initiated a community-based process to update the land development code, in part, so that it can be simplified and applied in a consistent manner.

multiple departments involved, DSD acts as the shepherd for the review process. However, DSD management cited a lack of authority to enforce accountability among staff in other reviewing departments. In response to Zucker recommendations, DSD pursued “coalition agreements” with these departments. However, of the twelve current agreements, the earliest were signed over a year after the Zucker Report was issued. Also, two key departments did not have an agreement in place until December 2018 and there is not a comprehensive agreement with Austin Energy. In addition, we noted that the agreements include a requirement for the departments to meet annually to review the agreement. We did not find documentation that any of these review meetings had happened, but noted that one agreement had been revised.

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DSD managers noted that it would take at least six months for new staff to have an impact on timelines.

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DSD management also cited concerns about having adequate staff and supervision to address workload pressures. While management identified a staffing plan in response to the Zucker Report, additional staff were approved and hired within the last year. In the intervening years, supervisors were conducting review work alongside staff and could not devote full attention to their oversight function. DSD management and customers also cited inspections as an area that needed to be addressed. DSD management noted there had not been enough inspectors to get the work done in a timely manner. The focus for these inspectors was the number of inspections completed, which did not leave adequate time to consult with customers. This resulted in more re-inspections than would otherwise be necessary. Customers reported similar concerns related to unclear or conflicting inspection comments, multiple inspections, and long wait times.

Also, development staff from two neighboring towns each cited that Austin requires electrical inspections to be performed by a master electrician even though that level of qualification may not be necessary. They asserted that master electricians can get higher paying jobs in the current job environment and Austin may be unnecessarily limiting its hiring pool. DSD management reported partially addressing this issue by working to change rules to eliminate the need for a master electrician on residential projects. Our understanding is commercial projects still require a master electrician. Also, in our recent meetings with DSD management, they asserted that additional inspections staff had helped eliminate the backlog of inspections from previous years.

### **Customers Cited Cost as a Concern**

Separate from timelines, customers reported the cost of the permitting process as an area of concern. We spoke with several customers that frequently go through the permitting process. They noted the process has not gotten better or worse in the last few years, but it has gotten more expensive. These customers noted they would not mind paying more, but wanted to get through the process more quickly and consistently for their money. We also spoke with a residential customer who reached out to us during the audit. This customer was surprised by both the cost and time involved and expressed regret about having gone through the process.

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Customers cited increased permitting costs as negatively impacting their satisfaction with the process.

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DSD reported using an automated calculator that determines fees each year to ensure they accurately reflect the cost of service.

Since becoming a separate department, DSD has transitioned from a general fund department to an enterprise department as recommended in the Zucker Report. As a general fund department, DSD did not charge the full cost of its services through development fees. City Council supported the idea that development should pay for itself. As an enterprise department, DSD now reflects the full cost of its services in the fees charged to its customers.

To explore the cost impact of this transition, we worked with DSD staff to select six common residential projects to analyze fees and total costs since FY 2016. For four of the six projects, most of the fees were higher in FY 2019 and total costs rose, ranging from 25% to 86% higher. The highest increase involved a project with tree requirements. For the other two projects, at least half of the fees had gone down in FY 2019 and total costs were lower by 10% and 22% (see Exhibit 1). We also worked with peer cities and neighboring towns<sup>4</sup> to determine their requirements and costs for the same six projects. Costs in Austin were higher for each of the six projects, ranging from 48% to 231% higher than the next highest city's permit fees.

**Exhibit 1: Most Austin Permit Fees and Total Costs Have Increased From FY 2016 to FY 2019**

Project	Percentage Cost Increase (Decrease)	Dollar Cost* Increase (Decrease)	Current Cost*
Residential Addition	65%	\$692	\$1,756
Residential Addition with Tree Component	86%	\$1,279	\$2,763
Deck	76%	\$545	\$1,261
Express Permit	25%	\$159	\$791
Interior Remodel or Garage Conversion	(22%)	(\$243)	\$841
Pool	(10%)	(\$76)	\$762

SOURCE: : OCA analysis of permit fees for common projects in Austin (FYs 2016–19), February 2019.

\* Costs rounded to the nearest dollar.

### **Impact on Customer Satisfaction**

We looked at DSD customer satisfaction polls as well as the City of Austin Community Survey for recent years. The poll questions focused on the time reviews take to complete as well as customer satisfaction with the overall process. The results indicated that approximately 30% of respondents were satisfied with the overall plan review process. Respondents indicating they were satisfied with the time the process took ranged from 16% to 34% among the various review areas. Also, movement in these satisfaction metrics was mixed. Of eleven total metrics, five got better, five got worse, and one stayed the same. The biggest improvement was related to satisfaction with commercial plan review times.

<sup>4</sup> Peer cities were San Antonio and Dallas and neighboring towns were Manor and Buda.

In April 2019, DSD reported updated customer satisfaction poll results to Mayor and Council. The results for all questions were similarly mixed based on benchmarks established in 2016. The average satisfaction level with the “[t]ime the process takes to complete” was 41% in 2016, 43% in 2017, but fell to 38% in 2018 (see Appendix C for these poll results, including satisfaction levels with the various review areas). Based on our interactions with customers, we noted they actively expressed not seeing the value in participating in the permitting process, which could have health and safety impacts.

### **Impact on Health and Safety**

We noted that permitting requirements exist, in part, to mitigate potential health and safety issues. However, some people are not participating in the process. DSD management noted that they have taken efforts to educate the community and promote awareness of new programs and services through media and advertisement campaigns, outreach to those already in the system, and cooperation with other City departments. For example, DSD partnered with the Austin Code Department to launch the online Code and Permit Tracker. Also, a family Halloween event at Fiesta Gardens showcased a house that did not meet building code requirements. DSD distributed print information about residential permits and inspections. DSD also partnered with Austin 311 to promote a new DSD phone number.

We worked with Austin 311 and the Austin Code Department to gather information related to complaints for “work without permit.” In the past three years, Austin 311 documented approximately 2,000 of these calls per year with the most in Council districts 9, 3, and 1 and the least in districts 8, 6, and 2, in order.

We also gathered feedback from representatives in our peer cities and neighboring towns, contractors, and other stakeholders. We received consistent feedback that commercial projects generally follow the permitting process. However, these stakeholders estimated at least a third of residential projects are likely done without going through the permitting process. A few stakeholders noted this estimate could be at least half of all projects. Stakeholders consistently cited three reasons for not participating in the permitting process:

1. residents and contractors may not realize their project requires a permit,
2. the permitting process takes too much time, and
3. the permitting process costs too much money.

Some contractors noted they felt pressure to match competitors who skip the process to deliver projects sooner and cheaper. Development officials from the peer cities and towns acknowledged there is work conducted outside of the process and it is difficult to control.

While not participating in the permitting process could create potential health and safety issues, we did not find examples of widespread or chronic issues that have resulted from unpermitted work. However, each person that does not participate in the permitting process results in less revenue to fund development and permitting services.

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Stakeholders estimate that 30% to 50% of residential projects may be done outside the established permitting process

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# Recommendations and Management Response

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In order to address issues identified in the permitting process and meet customer expectations, the Director of the Development Services Department should identify specific causes for plan review processing delays and work with stakeholders to ensure services are delivered in a timely manner and meet customer expectations. These efforts should include, but not be limited to:

- a. engaging with both repeat and occasional customers on a regular basis to ensure City management has a current understanding of their expectations and concerns with the process,
- b. ensuring that information in the electronic system can be and is used to track expected timelines at each stage of the review process, and
- c. finalizing or revising coalition agreements with each department involved in the permitting process to ensure that service level expectations, corrective actions, and accountability are clearly established, understood, and implemented.

**Management Response:** Agree

**Proposed Implementation Plan:**

- a. The Stakeholder and Community Engagement Unit was formed in early 2019 to provide focused outreach to customers. Quarterly stakeholder meetings are held to share policy and procedure changes, to communicate progress on process improvements and to solicit feedback from customers. This unit is in the process of hiring four ombudspersons to assist homeowners and small business owners with the development process and to work with management to initiate process improvements based on customer interactions.
- b. DSD managers and staff are able to use Microstrategy to track review times and identify departmental delays. Customers are able to use the Austin Build and Connect (AB+C) portal to track the status of specific permits. DSD will work with Communications and Technology Management (CTM) and vendors to develop an easily accessible system to display aggregate data on reviews and permits. Such a system will allow management to identify and resolve issues from a city-wide perspective and will provide accurate and complete information to the public.
- c. DSD will assign staff for managing and maintaining coalition agreements. Existing agreements will be reviewed and revised, and the annual review schedule will be maintained going forward. DSD executives will pursue completion of the coalition agreement with Austin Energy.

**Proposed Implementation Date:**

- a. October 2020
- b. August 2021
- c. May 2020

2

In order to address structural issues with the City Code and other applicable codes, the Director of the Development Services Department should identify changes that would improve customer service outcomes without affecting health and safety. The Director should:

- a. ensure applicable changes are reflected in the new land development code draft being developed for City Council consideration and
- b. present all other changes to the City Council or other appropriate entity for their consideration.

**Management Response:** Agree

**Proposed Implementation Plan:**

- a. Key DSD staff members have been selected to participate on the Land Development Code Rewrite Team. These staff are engaging employees throughout the department for input on recommended changes. Rewrite Team members will ensure that recommended changes are presented for inclusion in the draft being developed for City Council consideration. The land development code that is adopted will incorporate recommendations from Boards and Commissions, community and development stakeholders and residents of Austin, and will ultimately reflect the will of the City Council.
- b. DSD will identify potential changes to building and trades codes and propose local amendments to the appropriate boards and to City Council. The amendments will be finalized after the next edition of codes is published in 2021.

**Proposed Implementation Date:**

- a. December 2019
- b. October 2021

3

In order to address process workflow and timeline issues, the Director of the Development Services Department should implement the use of key technology solutions as soon as possible to further reduce the number of physical interactions customers have with the City permitting process.

**Management Response:** Agree

**Proposed Implementation Plan:** DSD has contracted with a technology solutions firm to fully implement electronic plan (ePlan) review prior to the relocation to the Planning and Development Center. DSD is currently working with partner departments to determine the most effective technologies to implement at the new facility that will reduce the number of physical interactions customers have with the City permitting process.

**Proposed Implementation Date:** June 2020

4

In order to address participation levels with the permitting process, the Director of the Development Services Department should ensure that departmental outreach and education efforts target people that ignore or may not be aware of permitting process requirements. These efforts may include:

- a. making the process simpler to understand and follow so it is clear why the requirements are needed to ensure that health and safety issues are addressed and
- b. working with 311 and the Austin Code Department to identify specific processes and stakeholders that may benefit from targeted outreach and education.

Management Response: Agree

Proposed Implementation Plan:

- a. The Stakeholder and Community Engagement Unit is launching the Ombudsperson Program with staff dedicated to assisting applicants with the development process and communicating recommended process changes to management based on customer interaction and feedback. This program will include providing targeted education to residents and business owners who are least aware of the permitting process and requirements.
- b. The Stakeholder and Community Engagement Unit will partner with Austin 311, Austin Code Department, Neighborhood Housing and Community Development and Economic Development Department's Small Business Program to identify specific processes and stakeholders that may benefit from targeted outreach and education.

Proposed Implementation Date:

- a. December 2020
- b. January 2021

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# Management Response



**Development**  
CITY OF AUSTIN  
SERVICES DEPARTMENT

*Building a Better and Safer Austin Together*

## MEMORANDUM

**TO:** Corrie Stokes  
City Auditor, Office of the City Auditor

**FROM:** Denise Lucas   
Director, Development Services Department

**DATE:** August 5, 2019

**SUBJECT:** Management Response – Permitting Process Improvements Audit

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The purpose of this memorandum is to provide a management response to the Permitting Process Improvements Audit. Development Services Department (DSD) has reviewed the audit and concurs with the recommendations contained in the report. Attached are specific responses to the actions recommended to address the findings of the audit.

DSD is committed to providing excellent customer service and making improvements to processes to increase customer satisfaction. The department has made significant progress since its inception in 2015 with meeting performance measures and addressing customer concerns. We appreciate the opportunity to further examine our processes and continue our efforts to serve customers efficiently and effectively.

Should you have further questions, please contact me at (512) 974-2614.

# Appendix A: Summary of DSD Responses to the Zucker Report Seven Key Priority Areas

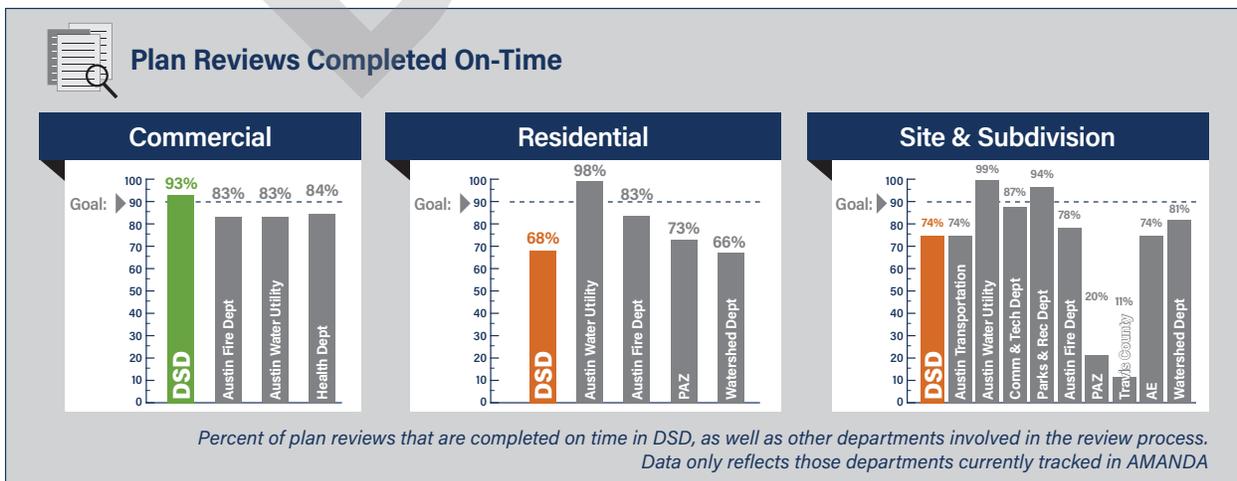
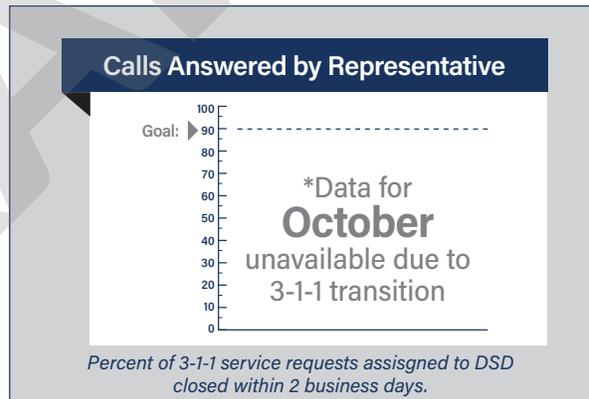
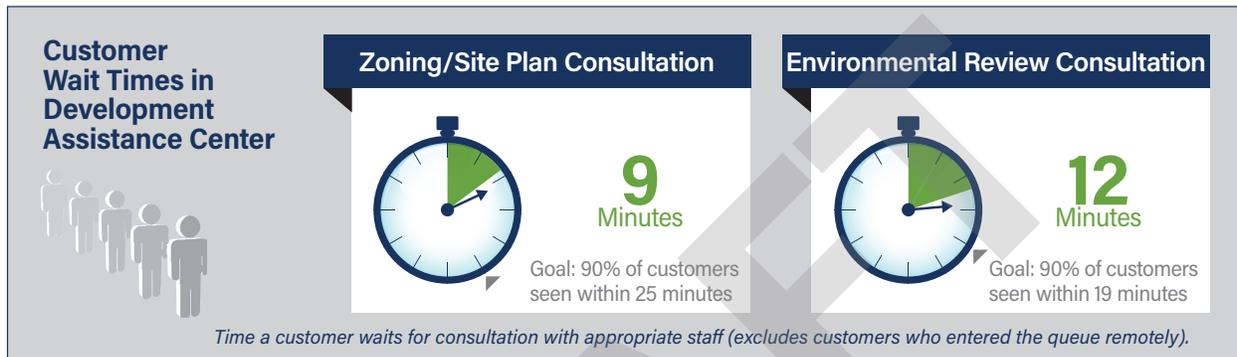
Zucker Report 7 Key Priority Areas	2015 Zucker Recommendations to Institute a Customer-focused Culture	Results (Based on DSD Responses and Audit Findings)
1. Finances 6. Staffing	Additional Resources [DSD] a. Including Specific Positions for [DSD] b. Move away from General Fund	Mixed – DSD noted that it took time to add resources and additional staff will have a delayed impact on customer timelines. DSD has transitioned to an enterprise department, but additional staff increases costs for the customer.
2. Management and Communication	Improvements to Management, including culture, training, and adding a Deputy Director for Operations to [DSD]	Mixed – Staff noted efforts related to training, but Code interpretation issues persist. DSD disagreed with the Deputy Director of Operations recommendation. DSD added a Deputy Director in November 2017, but this did not align with the recommendation. DSD is in the process of adding a “Customer Experience” unit.
3. Other Departments	Other Involved Departments Delegate Development Plan Review Functions to [DSD]	Mixed – DSD entered into “coalition agreements” with some, but not all, involved departments. Workflow timelines are not tracked by department. <ul style="list-style-type: none"> <li>• Some key departments just executed an agreement and at least one department agreement is not in place.</li> <li>• There does not appear to be full delegation of functions by other departments.</li> <li>• Planned facility co-locating staff is expected to help.</li> </ul>
4. Performance Standards	Changing and Meeting Specific Performance Standards	No – DSD changed performance standards that expanded timelines to better align with actual performance. This provided a more realistic customer expectation, but has not improved timelines or impacted customer satisfaction metrics. <ul style="list-style-type: none"> <li>• Plan review timeline goals not consistently being met.</li> <li>• Audit staff unable to isolate departmental timelines, but learned DSD does not actively track causes for delays in the process to determine accountability and identify solutions.</li> </ul>
5. Technology	Moving Aggressively with Efforts to: a. Accept Plans via the Internet b. Using Electronic Plan Check	Mixed – <ul style="list-style-type: none"> <li>• Initial DSD efforts related to electronic plan submissions did not work as intended and were delayed. DSD began accepting some plans electronically in 2018 and anticipates accepting all plans electronically at a future date.</li> <li>• DSD is planning, but has not fully implemented, electronic plan review.</li> <li>• DSD has implemented other technology solutions.</li> </ul>
7. Project Managers/ Processes 6. Staffing	Develop True Project Manager System	No – DSD is no longer pursuing this recommendation citing that additional staff was not approved and a lack of interdepartmental authority. The electronic system does not actively identify delays related to project progress.

# Appendix B: Example of Key Success Metrics Report from October 2018



The Success Metric Document identifies key performance measures and target goals for the Development Services Department. These metrics gauge the performance of review times, wait times, employee investment, and technology to assess business processes and organizational efficiencies.

## Key Success Metrics October 2018



Color Key:

Met Goal	Did Not Meet Goal	Did Not Meet Goal
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Data Source: AMANDA, AVAYA, QLESS



# Appendix C: Results of 2018 Customer Satisfaction Poll and Department Initiatives



## Customer Satisfaction Poll Results (Satisfied & Very Satisfied Responses Only)

	2016 Benchmark	2017	2018
<b>Plan Reviews &amp; Inspections</b>			
Codes and policies are applied by staff in a fair and practical manner	38%	40%	37%
Staff anticipates obstacles and provides options when they were available	31%	36%	33%
Requirements/comments applied are reasonable and justified	35%	38%	34%
Inspectors rarely find errors in the field that should have been caught during the review process	39%	36%	32%
<b>Coordinated Reviews w/12 Departments</b>			
Customer understands the department processes	65%	60%	59%
Customer understands the department structure and role of external review departments	29%	37%	39%
<b>Customer Service</b>			
The staff provide excellent customer service	40%	43%	40%
Services are completed by the date promised	39%	38%	34%
Staff is easily accessible	35%	38%	35%
<b>Additional Questions</b>			
Customer treated fairly by staff	64%	68%	68%
Technical Competence of staff	53%	53%	49%
Time the process takes to complete	41%	43%	38%
How easy the process is to complete	41%	42%	40%
Staff is responsive to customer needs	52%	55%	54%
Staff anticipates obstacles and provides options when available	47%	50%	49%
Standards are applied consistently by staff	48%	52%	49%
How easy it is to contact staff	42%	43%	42%
<b>Investment in Employees</b>			
There is a strong emphasis on training	41%	56%	66%
The training provided is effective	42%	49%	59%
Employee retention rate, excluding retirements or internal promotions with the City of Austin	99%	99%	99%

LEGEND	EXCEEDED 2016 Benchmark	BELOW 2016 Benchmark	SAME as 2016 Benchmark

	2018 PLAN REVIEW						2018 INSPECTIONS					2018 OTHER		
	Expedited	Residential	Commercial	Tree Ordinance	Site Plan	Subdivision	Residential	Commercial	Trees	Site & Subdivision	Environmental	Service Center	Development Assistance Center	Department-Wide
Codes and policies are applied by staff in a fair and practical manner	49%	38%	44%	34%	29%	12%	39%	53%	37%	39%	35%	--	--	--
Staff anticipates obstacles and provides options when they were available	47%	32%	31%	33%	24%	9%	36%	48%	41%	31%	32%	--	--	--
Requirements/comments applied are reasonable and justified	47%	36%	40%	33%	27%	8%	38%	52%	30%	36%	29%	--	--	--
Inspectors rarely find errors in the field that should have been caught during the review process	--	--	--	--	--	--	34%	41%	32%	26%	25%	--	--	--
Customer understands the department processes	61%	59%	54%	53%	54%	45%	68%	74%	59%	69%	51%	--	--	--
Customer understands the department structure and role of external review departments	--	--	--	--	--	--	--	--	--	--	--	--	--	39%
The staff provide excellent customer service	58%	45%	44%	33%	30%	12%	41%	51%	44%	38%	46%	--	--	--
Services are completed by the date promised	52%	27%	36%	35%	24%	3%	30%	41%	46%	33%	47%	--	--	--
Staff is easily accessible	45%	31%	34%	34%	26%	12%	34%	44%	44%	38%	42%	--	--	--
Customer treated fairly by staff	--	--	--	--	--	--	--	--	--	--	--	66%	69%	--
Technical Competence of staff	62%	46%	50%	42%	36%	16%	52%	58%	53%	49%	49%	60%	64%	--
Time the process takes to complete	54%	24%	33%	33%	22%	9%	35%	45%	43%	37%	43%	45%	68%	--
How easy the process is to complete	54%	28%	31%	34%	22%	8%	41%	54%	42%	41%	41%	53%	65%	--
Staff is responsive to customer needs	--	--	--	--	--	--	--	--	--	--	--	51%	56%	--
Staff anticipates obstacles and provides options when available	--	--	--	--	--	--	--	--	--	--	--	45%	52%	--
Standards are applied consistently by staff	--	--	--	--	--	--	--	--	--	--	--	49%	48%	--
How easy it is to contact staff	--	--	--	--	--	--	--	--	--	--	--	37%	46%	--

These results have a 95% level of confidence with a precision of at least +/- 3.4%

This section shows the results of an internally conducted Training Assessment poll of the Development Services Department employees. Includes "Agree" and "Strongly Agree" responses only.

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## Scope

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The audit scope included Development Services Department practices related to the permitting process from FY 2016 through FY 2019.

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## Methodology

To complete this audit, we performed the following steps:

- interviewed key personnel in the Development Services Department and other involved departments to obtain an understanding of their roles and responsibilities related to the permitting process;
- interviewed stakeholders including residents, customers, contractors, and real estate agents;
- researched best practices regarding the permitting process;
- reviewed Development Services Department policies and procedures for issuing permits;
- reviewed the budget history of the Development Services Department;
- evaluated Development Services Department permit issuance timelines for commonly issued permits during the scope period;
- analyzed published timeliness metrics from the Development Services Department during the scope period;
- analyzed the permit fee history for six common projects in Austin;
- conducted a survey of Texas peer cities and neighboring towns to learn about permitting practices in other jurisdictions and to calculate comparative permit fees for the six common projects noted above;
- reviewed Development Services Department customer service satisfaction poll results as well as permitting-related results from the City of Austin Community Survey;
- reviewed reported “work without permit” issues from Austin 311 and Austin Code;
- evaluated IT-related risks associated with the permitting system;
- evaluated the risk of fraud, waste, and abuse related to the City’s permitting process; and
- evaluated internal controls related to the City’s permitting process.

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## Audit Standards

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The Office of the City Auditor was created by the Austin City Charter as an independent office reporting to City Council to help establish accountability and improve City services. We conduct performance audits to review aspects of a City service or program and provide recommendations for improvement.

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