



Recommendation for Action

File #: 21-2168, **Agenda Item #:** 14.

6/3/2021

Posting Language

Approve an ordinance amending the Fiscal Year 2020-2021 Development Services Department Operating Budget (Ordinance No. 20200812-001) to increase the number of authorized staff positions by 41 full-time equivalent staff positions to support the housing goals expressed in Strategic Direction 2023 and the Austin Strategic Housing Blueprint.

Lead Department

Development Services Department

Fiscal Note

A fiscal note is attached.

Prior Council Action:

August 12, 2020 - Ordinance No. 20200812-001 adopting the City of Austin Budget for Fiscal Year 2020-2021 was approved as amended on a roll call vote on Council Member Casar's motion, Mayor Pro Tem Garza's and Council Member Harper-Madison's second on an 11-0 vote. Those voting aye were: Mayor Adler, Mayor Pro Tem Garza, and Council Members Alter, Casar, Ellis, Flannigan, Harper-Madison, Kitchen, Pool, Renteria, and Tovo.

For More Information:

Denise Lucas, Director, denise.lucas@austintexas.gov; Eric Ugalde, Financial Manager III, eric.ugalde@austintexas.gov

Additional Backup Information:

There are significant and historic shortages in single-family housing inventory across the country and within the Austin region. The demand for housing has been driven, in part, by low mortgage rates and migration shifts associated with teleworking. At the same time, lumber prices have escalated significantly as have overall construction costs. Coupled with supply chain shortages, the market pricing for homes has drastically increased over the last year.

Of particular concern to staff are the continued and sustained permit application volume increases. There is no indication that the current situation of increased permit application volume is short-term. The Development Services Department (DSD) is encountering extraordinary levels of activity in permitting, review and inspection for residential construction in the City of Austin. And, the resulting increases in permit application are leading to decreased review performance goals and incidents of backlogs. Because permit application review timeliness is directly connected to the ability for additional housing inventory to be brought to the market on a timely basis, there is a strong concern for ensuring DSD has the appropriate resources to meet increased permit volume applications. Both Strategic Direction 2023 and the Strategic Housing Blueprint highlighted the deep need for additional housing inventory in the City to meet demand and to reduce housing costs for residents

To meet the increased demand for permit application reviews and the accelerated pace of submittals, DSD leadership have piloted process improvements and realigned staff to address workload as a first measure. DSD has also been able to achieve short-term gains utilizing temporary staff and contracts. To meet the

increased and sustained demand with consistent results, DSD proposes to add 41 full-time equivalent positions (FTEs) in plan intake and review, community tree preservation, environmental review, stakeholder and community engagement, human resources, and equity and inclusion. The addition of positions in these areas will allow DSD to provide excellent customer service, meet on-time performance metrics, and avoid costly delays for applicants, thereby contributing to achieving housing goals set forth by City Council and the community.

DSD will partner with the Human Resources Department (HRD) to determine the appropriate job titles based on the nature of work and duties required. HRD will have final approval of the job titles for the positions.

Funding for additional FTEs will be covered by current funding levels approved for Fiscal Year 2020-21. Funding for future years is contingent upon future budgets. Beginning in Fiscal Year 2021-22, the additional FTEs will be covered by increased revenues resulting from increased permit application volumes. DSD consistently reviews cost of service to ensure costs are fully recovered and any changes will be reflected in the DSD portion of the City's Fee Schedule. Since becoming a separately accounted for enterprise fund, revenues have consistently covered costs.

Strategic Outcome(s):

Economic Opportunity & Affordability