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Audit Report

ONE STOP SHOP

August 25, 2009

Office of the City Auditor
Austin, Texas

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Note: On September 25th, 2009, this report was updated to reflect minor corrections in a number of sections and clarification of workload indicators on page 45.

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City of Austin

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Date: August 25, 2009
To: Mayor and Council
From: Taylor Dudley, Acting City Auditor
Subject: One Stop Shop Audit

I am pleased to present this audit report of One Stop Shop (OSS). This audit was approved as part of the Office of the City Auditor (OCA) FY09 service plan. The City of Austin's OSS consolidates the processes of land development assistance, review, permitting, and inspection to create a more efficient development process for the community. OSS involves several City departments and at the time of this audit was managed by Watershed Protection and Development Review (WPDR). Our audit objectives were to determine whether OSS has effective controls to ensure compliance with the Land Development Code (LDC), whether OSS is meeting customer service needs, and whether needed staffing support is in place to ensure an effective LDC compliance function overall.

We found a number of things that OSS is doing well. However, continued improvement is needed in several areas. We found that although OSS provides extensive information for customers and uses some best practices, OSS tools for communicating with customers do not provide sufficient assistance to help customers develop property in compliance with the City Code. Additionally, while there have been extensive changes to the LDC in recent years which OSS has responded to, OSS does not have adequate mechanisms in place in all areas to ensure consistency or quality of OSS reviews nor a sufficient process to manage implementation of changes to the LDC into OSS operations. Furthermore, customer satisfaction with OSS is low in some areas, and while several improvements are underway to strengthen customer service, more tools are needed to effectively gauge and address customer concerns. Some of the issues we identified are exacerbated by workload, staffing, morale issues, and funding constraints. Addressing these issues is important to ensure the City's readiness to support local economic recovery activities related to development. A number of other issues warrant further consideration as they relate to OSS effectiveness but were not examined in detail in this audit.

We have issued 29 recommendations to improve consistency of Code interpretations, close customer service gaps, improve customer information and satisfaction, support staff to ensure an effective function, and assess fee levels and monitor fee waivers to ensure sufficient funding for the function. Management has concurred with the majority of these recommendations.

We appreciate the cooperation and assistance we received from One Stop Shop management and staff and the City Manager's Office during this audit.

Taylor Dudley, CIA, CGAP, CFE
Acting City Auditor

COUNCIL SUMMARY

This report presents the results of our audit of the City's One Stop Shop for development projects. This audit was approved as part of OCA's FY09 Service Plan.

Background

Land Development Regulation and Compliance in Austin serves many important purposes which One Stop Shop (OSS) directly supports, such as building safety, neighborhood compatibility, environmental protection, and energy efficiency. The purpose of OSS is to consolidate the process of land development permitting and assistance into a single location in order to create a more efficient development process for the community. OSS is managed by the Watershed Protection and Development Review department (WPDR). Basic services of OSS include offering customer guidance, reviewing plans, issuing permits, performing inspections, and providing legal and website support for these services. Several City departments are involved in OSS. Ensuring Land Development Code (LDC) compliance involves inherent tension between developers and neighborhoods and between achieving customer satisfaction and enforcing the Code. Significant changes to the LDC have occurred over the last few years, resulting in increased complexity of OSS reviews and inspections.

Audit Objectives

1. Does OSS have effective controls to ensure compliance with the Land Development Code (LDC)?
2. Is OSS meeting customer service needs to help customers comply with the LDC?
3. Are the needed staffing supports in place to ensure an effective LDC compliance function overall?

Results

We found a number of things that OSS is doing well. However, continued improvement is needed in several areas.

- Although OSS provides extensive information for customers and uses some best practices, OSS tools for communicating with customers do not provide sufficient assistance to help customers develop property in compliance with City Code. OSS uses best practices such as the OSS website, the Development Assistance Center (DAC), and some customer training, but improvements in the clarity of information presented on the website are needed, as well as clarification of the limitations of DAC consultations for customers to avoid unintended conflicts. OSS website improvements have been delayed by delays in the City's planned Citywide website redesign. Other improvement efforts are underway.
- While there have been extensive changes to the LDC in recent years which OSS has responded to, OSS management does not have adequate mechanisms in place to ensure consistency or quality of OSS reviews, especially in the Residential Review group, and does not have a sufficient process to manage implementation of changes to the City Code that impact OSS operations. Supervision, training, and guidance of staff on Code interpretations need improvement, and process tools need to be updated to reflect current requirements of the LDC as changes occur.
- Customer satisfaction with OSS is low in some areas, while several timeliness targets have not been achieved; and while several improvements are underway to strengthen customer service, more tools are needed to effectively gauge and address customer concerns.

- Some of the issues we identified are exacerbated by workload, staffing, morale issues, and funding constraints, affected in part by fee levels and waivers. Staffing levels have been constrained as workload and complexity have increased while turnaround times have remained the same, impacting morale and staff retention. Fees do not cover costs and appear to be lower than those of comparable cities, though higher than those of Texas cities. Addressing these issues is important to ensure the City's readiness to support local economic recovery activities related to development.
- A number of issues warrant further consideration as they relate to OSS effectiveness but were not examined in detail in this audit, such as OSS partnership agreements with other departments, interaction with utility coordination and Code enforcement groups, the development and permitting information system AMANDA, easements and license agreements, neighborhood planning and zoning issues, and LDC complexity and the City's comprehensive plan.

Recommendations

We have issued 29 recommendations to improve consistency of Code interpretations, close customer service gaps, improve customer information and satisfaction, support staff to ensure an effective function, and assess fees and monitor fee waivers to ensure sufficient funding for the function. Management has concurred with a majority of the recommendations.



ACTION SUMMARY ONE STOP SHOP AUDIT



Recommendation Text	Management Concurrence	Proposed Implementation Date
<p>1. To ensure that citizens and customers have needed development information online when the City does move forward with the AustinGo website redesign, OSS management should utilize this effort to make the OSS website more customer-oriented, user friendly, and learner friendly. In particular, OSS Customers could benefit from:</p> <ul style="list-style-type: none"> a. better information in narrative, descriptive formats, such as informational brochures and step-by-step guides that are available on the website. This information should be designed to help new customers understand what to expect as they go through the process. “How to” information and clear instructions should be developed for new OSS customers on what to do, what to have, where to go, when to go, and who to see; and b. improved ability to do business online such as allowing customers to pay fees online and with a credit card and allowing customers to obtain simple permits online. 	Concur	<ul style="list-style-type: none"> a. Unknown at this time b. Unknown at this time
<p>2. To ensure that the development website contains accurate and up-to-date information, OSS management should establish a clear process within OSS with an overall coordinator and assigned liaisons in each division responsible for evaluating, approving, and monitoring website improvements.</p>	Concur	June 2010

Recommendation Text	Management Concurrence	Proposed Implementation Date
<p>3. To offer customers an interactive way to learn about the development process and improve compliance with LDC, OSS management should:</p> <ul style="list-style-type: none"> a. offer customer training on how the OSS process works and on how to use web-based systems; b. prioritize the Land Development Academy and work to make it available to citizens in a timely manner; and c. consider designing training sessions for homeowners, home builders, small business owners, etc. on topics that are commonly asked questions. 	<ul style="list-style-type: none"> a. Concur b. Concur c. Concur 	<p>October 1, 2009</p>
<p>4. In order to improve consistency of staff review of plans and other submitted documents, OSS management should:</p> <ul style="list-style-type: none"> a. Expand the use of quarterly supervisor reviews of plan review checklists or comments to ensure completeness and consistency of review, and establish related performance measures to reflect the results of these supervisory reviews. b. Expand the use of the guidance memos on Code interpretations and the use of the network drive for sharing guidance on Code interpretations and/or standard comment libraries for all divisions. 	<ul style="list-style-type: none"> a. Concur b. Concur 	<ul style="list-style-type: none"> a. Beginning FY 2010 b. April 2010
<p>5. To ensure that residential plans comply in all respects with LDC and that residential customers are not surprised by requirements after completing construction, OSS management should either establish a process for reviewing technical aspects of residential building plans, or clarify to customers that a technical review is not performed and that customers need to ensure compliance themselves prior to starting construction.</p>	<p>Concur</p>	<p>June 2010</p>

Recommendation Text	Management Concurrence	Proposed Implementation Date
6. To make needed improvements in Residential Review, OSS management should continue to implement the Residential Review quality initiative.	Concur	October 2010 (Subject to available funding)
7. To ensure that OSS consistently tracks and handles grandfathering requests, OSS should track all requests under Chapter 245 and record whether accommodation is granted.	Concur	January 2010
8. In order to mitigate potential staff perceptions that management does not support staff decisions in interpreting the Code when cases are escalated to high-level officials, the OSS Director and the ACM over OSS should establish and communicate a clear policy outlining the informal appeal process and routine fact finding that occurs when cases are escalated to high-level officials, reinforcing management's intention to support decisions in compliance with the Code.	Concur	March 2010
9. To ensure that LDC changes are effectively implemented, when ordinances are developed that change OSS requirements, OSS management should ensure that an implementation plan is developed and provided to Council for its consideration when passing the ordinance.	Concur	October 2009
10. To minimize potential Code conflicts when LDC changes are developed and to ensure that subsequently-identified Code conflicts are resolved, the director of NPZ should ensure that staff review changes for potential conflicts with existing regulations and should establish a process for dealing with Code conflicts that are discovered after Code changes have been approved.	Concur	a. October 2009 b. April 2010

Recommendation Text	Management Concurrence	Proposed Implementation Date
<p>11. To ensure that the OSS ordinance change management process is complete and that OSS tools are up-to-date, the Director over OSS should continue to refine the new change management process for ordinances to provide for a more structured transition into OSS processes. Specifically, the OSS director should:</p> <ul style="list-style-type: none"> a. Establish clear responsibility and a process to strengthen tracking and monitoring of ordinance implementation to include all relevant ordinances and all affected processes and procedures and tools. b. As part of this effort, establish a comprehensive inventory of tools used by OSS staff and customers, clarifying ownership of items in the inventory, and responsibility for managing and monitoring updates to the inventory as well as the items in it. c. Follow through with updating and implementing checklists, applications, and notices that are not yet current but are necessary and relevant to ensure consistent review, and require consistent use of such checklists by staff. 	<ul style="list-style-type: none"> a. Concur b. Concur c. Concur 	<ul style="list-style-type: none"> a. April 2010 b. July 2010 c. April 2010

Recommendation Text	Management Concurrence	Proposed Implementation Date
<p>12. To provide current interpretation guidance on Code requirements for OSS customers and staff when submitting or reviewing plans, OSS management should work with the City Manager’s Office and coordinate with other departments to:</p> <ul style="list-style-type: none"> a. clarify the responsibility and process for directing and monitoring departmental updates to the criteria manuals, b. ensure that the criteria manuals are updated to reflect current Code, and c. consider consolidation of content within each criteria manual to eliminate redundancy, similar to efforts already underway for the environmental criteria manual. 	<ul style="list-style-type: none"> a. Concur b. Partially Concur c. Concur 	<ul style="list-style-type: none"> a. 2011 b. Ongoing c. 2017 (assuming it is started in 2013)
<p>13. To ensure that OSS staff have sufficient understanding of the intent of LDC changes to make appropriate Code interpretations, the directors of NPZD and OSS management should coordinate on developing and communicating both before and after LDC changes occur. Specifically, the intent of the ordinance changes should be clearly stated in the Code itself, and the directors should assign responsibility for clarifying the intention of these changes to OSS staff responsible for implementing them, and establish a clear process for communicating this information.</p>	<p>Concur</p>	<p>Ongoing</p>

Recommendation Text	Management Concurrence	Proposed Implementation Date
<p>14. To ensure that staff are kept up-to-date with LDC changes, OSS management should</p> <ul style="list-style-type: none"> a. Continue implementing the plans for the Land Use Academy; b. Include training expectations on staff SSPRs to ensure that they are given the time to attend training sessions; and c. Establish clear, consistent information pathways or channels for communicating approved Code changes affecting OSS to staff and making training available and required across OSS divisions. 	<ul style="list-style-type: none"> a. Concur b. Concur c. Concur 	<ul style="list-style-type: none"> a. Ongoing b. Complete c. Ongoing
<p>15. To ensure that OSS has information on customer satisfaction, OSS management should institute a customer survey for all participants in the OSS process that is accessible on the website. The results of these surveys should be incorporated into monthly management performance assessments.</p>	<p>Concur</p>	<p>June 2010</p>
<p>16. To ensure a customer service focus at OSS, OSS management should define the work of the customer Development Process Liaison to ensure that this position is evaluating and responding to the needs of customers to provide answers and facilitate solutions.</p>	<p>Concur</p>	<p>Ongoing</p>
<p>17. To provide more accessibility for residential customers, OSS management should consider providing evening hours with limited staffing for Residential Review one day a week to allow customers who can not leave work during the day to submit plans.</p>	<p>Do Not Concur</p>	<p>n/a</p>
<p>18. To further improve Austin's OSS, OSS management should review and consider implementing best practice approaches in place in other cities.</p>	<p>Concur</p>	<p>2013</p>

Recommendation Text	Management Concurrence	Proposed Implementation Date
19. In order to establish realistic targets for plan review, OSS management should evaluate timeliness requirements to determine how much time it should take to complete a thorough review given increased Code requirements; and proposed performance measures should be updated accordingly.	Concur	2011
20. In order to ensure proper Code compliance and the City's ability to support economic recovery, OSS management should ensure that staffing needs are evaluated in each division to determine sufficient staffing levels both in the current environment and when the economy begins to recover.	Concur	FY 2011 Budget Cycle
21. In order to provide a balanced focus on various aspects of performance of OSS operations, OSS management should establish performance measures for quality and customer service in addition to workload and timeliness measurements.	Concur	FY 2012 Budget Cycle
22. In order to improve retention and ensure succession strategies are in place for expected retirements or turnover that may occur, OSS management needs to increase attention to employee retention efforts. Implementing AE's succession plan or creating a similar plan should be further evaluated toward this end.	Concur	2011
23. In order to reflect increased complexity of the job and to ensure equity among staff, OSS management and the department's Human Resources manager should work with the City's Human Resources department to evaluate and update job descriptions, job titles, and job requirements for OSS divisions, as appropriate.	Partially Concur	<ul style="list-style-type: none"> a. June 2011 b. December 2010 c. Complete d. June 2012 e. Pending HRD Approval

Recommendation Text	Management Concurrence	Proposed Implementation Date
24. In order to ensure that staff concerns and issues are identified and addressed, OSS management should expand processes such as the staff retreat conducted by LUR.	Concur	September 2010
25. To help improve staff morale, OSS management should explore ways of providing recognition that would be meaningful to employees.	Concur	Ongoing
26. To ensure sufficient information for decisions on staffing and funding levels for One Stop Shop functions, OSS management should conduct benchmarking against comparable entities for staffing, workload, turnaround time, and funding. Complexity of LDC should be considered in assessing comparability of different entities.	Concur	January 2012
27. In order to ensure that OSS has sufficient resources to perform its responsibilities, OSS management and the City Budget Officer should further escalate and evaluate the assessment that was performed on OSS cost of services and fees compared to other entities, and determine whether adjustments are needed to OSS funding or fees.	Concur	Budget Office to work with OSS to develop an RFP. The consultant study can begin with FY10 with fee alignment phased in over several fiscal years beginning in FY11 (subject to available funding).
28. In order to provide adequate levels of customer service, OSS management and the City Budget Officer should reconsider the vacancy management strategy and assess the impact of continuing to keep positions vacant for each division.	Partially Concur	2011 (Begin review in early October, 2009)
29. In order to provide information to decision-makers about the impact of fee waivers, OSS management should track and provide monitoring information regarding fee waivers granted.	Concur	December 2009

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BACKGROUND

Land development regulation and compliance in Austin serves many important purposes, which One Stop Shop (OSS) directly supports. The purpose of development regulation is to ensure life, safety, and health of building construction; environmental protection; neighborhood compatibility; energy efficiency of construction and development in Austin; minimizing construction in floodplains; and supporting other values such as affordable housing, transit-oriented development, and live music. One Stop Shop has a key role in ensuring compliance with land development regulation.

Some basic definitions and hierarchy of review and approvals in the land development process are:

- Zoning: Establishes allowed use of land and basic site development standards
- Subdivision: Divides land into lots, blocks, streets and other infrastructure
- Site Plan: Proposes layout of building, parking, grading, drainage, and water quality
- Building Plan: Proposes building construction details, for both residential and commercial construction
- Permitting: Issues permits of various types (such as building, plumbing, electrical, mechanical) for approved plans
- Inspection: Verifies field Code compliance

The purpose of OSS is to consolidate the process of land development permitting and assistance into a single location in order to create a more efficient development process for the community. The City's One Stop Shop was formed in 2004 with several goals in mind, including:

- Improved efficiencies (reporting consolidation, co-location, cross-training, technology)
- Team Continuity: Land development/site inspection on one team (same team start-to-finish rather than multiple contacts and handoffs)
- Insistence on holding design professionals accountable for quality of plans and designs (reducing staff re-reviews and re-designs)
- Reduced average permit cycle times
- Direct communication rather than impersonal communication
- Clarified permitting expectations
- Improved customer satisfaction
- Improved Code compliance

Fiscal year 2008 was the fourth full year of the One Stop Shop (OSS) operation.

OSS is managed by the Watershed Protection and Development Review department (WPDR). WPDR's department mission is to protect lives, property, and the environment of our community by reducing the impact of flooding, erosion, and water pollution and providing comprehensive development review and inspection services. The separate

functions of Watershed Protection (WP) and Development Review (DR) come together to collaboratively ensure protection of the environment as development occurs.

WPDR’s objective for OSS is to provide the public with a single location for development needs to promote efficient use of citizen and City staff time and resources. WPDR has the following goals for OSS for FY09:

- Ensure that development is in compliance with regulations in an efficient and effective manner by achieving 95% of Code-mandated review and inspection deadlines by FY09.
- Perform 95% of building inspections within 24 hours.
- Perform environmental inspections on 100% of commercial sites and 70% of residential sites in FY09.

Basic services of OSS include offering customer guidance, reviewing development plans, issuing permits, performing inspections, and providing legal and website support for these services. See Exhibit 1 for descriptions of OSS divisions within WPDR . Within each division, there are a number of sub-processes. See Appendix B for a list of these sub-processes.

**EXHIBIT 1
OSS Divisions**

Division	Description
Development Assistance Center (DAC)	Evaluates development proposals to ensure that development is designed and built in accordance with the City of Austin rules and regulations; Provides development information to citizens; Processes changes to approved plans in accordance with the City of Austin rules and regulations; Provides research services for internal and external customers; and Provides records management services.
Land Use Review (LUR)	Provides comprehensive review services to citizens and developers in order to achieve a balance between the natural and built environments and to ensure compliance with local rules and regulations. Includes Site, Subdivision, Environmental, Drainage, and Transportation reviews.
Commercial Review	Provides Code review to the construction community to ensure compliant commercial building plans in a timely manner.
Residential Review	Provides comprehensive review services to citizens and developers to ensure that structures are in compliance with zoning and other development regulations.
Right of Way Management*	Provides planning and coordination for all activities in the right of way to protect existing infrastructure and minimize public inconvenience in order to ensure public safety.
Permit Center	Issues registrations and permits for builders, trade contractors, developers, and property owners so they can begin their activity.
Building Inspection	Provides inspections of buildings and systems at various stages of construction in order for permit holders to safeguard the public's life, health, safety, and welfare.
Site/Subdivision Inspection	Provides inspection services for the community to ensure compliance with approved plans, City rules, regulations, and specifications.
One Stop Shop Support	Provides program support to OSS staff and citizens in order to promote efficient performance and service to meet the One Stop Shop program objectives. (Measures relate to website reviews and legal hours supporting OSS.)

SOURCE: OCA summary of information from the FY09 Approved City Budget and other information from WPDR on OSS.

*Right of Way Management was transferred to the newly-formed Transportation department during the course of this audit and is no longer considered an OSS division.

Several City departments are involved in OSS. OSS is a collaborative initiative between eleven City departments designed to streamline the development review process for customers while still ensuring compliance with the Land Development Code. Departments involved in OSS are shown in Exhibit 2.

**EXHIBIT 2
Departments involved in OSS**

1. Watershed Protection & Development Review (WPDR)
2. Neighborhood Planning and Zoning (NPZ)
3. Austin Water Utility (AWU)
4. Austin Energy (AE)
5. Austin Fire Department (AFD)
6. Health and Human Services (HHS)
7. Law
8. Parks and Recreation (PARC)
9. Public Works (PW)
10. Transportation (recently reorganized from parts of Public Works and WPDR)
11. Communications and Technology Management (CTM)

SOURCE: OSS Functional Organizational Chart on City of Austin Development Website; City FY09 Approved Budget; Controller's Office data on OSS departments.

Budget and FTEs of OSS divisions in WPDR:

**EXHIBIT 3
Budget Expenditures and Budgeted FTEs of OSS divisions in WPDR**

One Stop Shop Division	2008-2009 Budget	2008-2009 FTEs
Development Assistance Center	\$1,001,276	14.50
Land Use Review	\$5,501,977	65.00
Commercial Review	\$1,179,612	15.25
Residential Review	\$941,688	14.25
Right of Way Management*	\$1,725,355	30.00
Permit Center	\$555,698	9.25
Building Inspection	\$4,869,129	56.00
Site/Subdivision Inspection	\$5,418,456	59.00
One Stop Shop Support	\$869,679	8.25
Total	\$22,062,870	271.50

SOURCE: OCA analysis of FY09 approved City budget documents.

* Right of Way Management was transferred to the newly-formed Transportation department during the course of this audit and is no longer considered an OSS division.

Laws and regulations governing land development in Austin include the City's Land Development Code (LDC) and State Law. The City of Austin, with authority from the State of Texas Local Government Code, governs land development activities in the City of Austin through Chapter 25 of the City of Austin's Code of Ordinance also known as the Land Development Code (LDC). The LDC incorporates specific Texas Local Government Code requirements, technical codes and local modifications that have been

adopted by Austin City Council, the requirements of inter-local agreements, and ordinances that are unique to the City of Austin.

Major changes to Chapter 25 of the City Code must be approved by the City Council and the City's Planning Commission. The City Council, being the legislative body of the City of Austin, approves the changes, but such changes must have the City of Austin Planning Commission recommendation. When changes are made to the City of Austin's LDC, grandfathering provisions established by the State of Texas may permit certain exemptions from the new LDC requirements.

The LDC governs all land development activity in accordance with the desired growth objectives and policies of the Austin City Council and the public. OSS management works to ensure compliance with these regulations and policies.

The City adopts technical codes, along with local amendments to these codes. The technical codes are adopted from uniform codes which are developed by the International Code Council (ICC), a membership association dedicated to building safety and fire prevention. The codes are used to guide construction of residential and commercial buildings, including homes and schools, so that code enforcement officials, architects, engineers, designers and contractors can work with a consistent set of requirements. These technical codes include:

- International Building Code
- Uniform Electrical Code
- Uniform Mechanical Code
- Uniform Plumbing Code
- Uniform Fire Code
- Uniform Solar Energy Code
- Uniform Housing Code
- Uniform Abatement of Dangerous Buildings Code
- Uniform Residential Code
- Uniform Energy Code

The City adopts these codes in the City Code with local amendments. These can be found in Chapter 25-12 of the City Code. In each case the technical codes are slightly changed to reflect local needs. The City may delete some sections of the technical codes that do not apply to Austin and re-adopt with additions that do apply.

In addition to the technical codes, the City uses a number of other tools to guide land development activities. These include the criteria manuals used to provide interpretation of how to implement the requirements of the Code, standards and standard specifications for use in construction plans, and process flowcharts, applications, and various checklists.

Current criteria manuals and standards include:

- Drainage
- Environmental
- Building

- Utilities
- Transportation
- Fire
- Administrative
- Traditional Neighborhood District (TND)
- Standards and Standards Specifications

Several Council Boards and Commissions are involved in OSS land development. A number of Council boards and commissions are involved in providing oversight for land development, and therefore interact with OSS processes. See Exhibit 4 for a list of Council Boards and Commissions involved in OSS processes. In addition, various Council task forces and advisory groups are established to address specific development-related issues, for example, the Green Building Task Force, the Waterfront Overlay Task Force, and the Barton Springs Zone Advisory Group.

**EXHIBIT 4
Council Boards and Commissions Involved in OSS Processes**

Board or Commission
City Council
Board of Adjustment
Building and Fire Code Board of Appeals
Building and Standards Commission
Community Development Commission
Construction Advisory Commission
Design Commission
Downtown Commission
Environmental Board
Historic Landmark Commission
Mechanical, Plumbing and Solar Board
Parks and Recreation Board
Planning Commission
Residential Design and Compatibility Commission
Zoning and Platting Commission

SOURCE: OCA summary of information from City Clerk’s Office.

The City Council has approved significant changes to the Land Development Code (LDC) between 2006 and 2008. Some of the most significant changes to the Land Development Code (LDC) between 2006 and 2008 have included:

- Commercial Design Standards – Commercial Design Standards were approved by the City Council on August 31, 2006 and amended November 1, 2007. These standards set minimum site and building design standards for commercial and retail developments in the City of Austin. Commercial Design Standards are defined based on roadway type(s) near the property, the size of the site and the type of development.
- McMansion Residential Standards - McMansion Residential Standards were approved by the City Council on September 28, 2006. These standards set minimum requirements for residential developments within the City of Austin through defining acceptable buildable area(s) for each property within which new developments may

occur. The intent of these standards is to minimize the impact of new construction, remodeling, and additions to existing buildings on surrounding properties in residential areas.

- Neighborhood Plans – Neighborhood associations within individual neighborhoods may draw up neighborhood plans to guide future land use and development within these neighborhoods. A neighborhood plan is an opportunity for citizens to shape the neighborhoods where they live, work, own property, or manage a business. The neighborhood planning process addresses land use, zoning, transportation, and urban design issues. The goal of neighborhood planning is for diverse interests to come together and develop a shared vision for their community. A neighborhood plan identifies neighborhood strengths and assets, identifies neighborhood needs and concerns, establishes goals for improving the neighborhood, and recommends specific recommendations to reach those goals.
- Neighborhood Conservation Combining Districts (NCCDs) – The purpose of a neighborhood conservation combining district is to preserve neighborhoods with distinctive architectural styles that were substantially built out at least 30 years before the date an application for an NCCD classification is filed. NCCDs include surveys of structures in neighborhood that identify the predominant architectural and urban design characteristics in the area and other characteristics that distinguish a particular neighborhood from other parts of the city. NCCDs have extensive detailed requirements that are specific to each neighborhood, for which OSS has to ensure compliance.

See **Appendix C** for a list of other (major) LDC changes affecting OSS from 2006 to 2008.

An overall process and set of controls helps achieve LDC-compliant development.

An overall framework of processes and controls is needed to ensure that development complies with the LDC. These processes and controls include both direct controls such as providing information to customers, performing plan reviews, and conducting inspections of development projects; as well as indirect controls for managing change, staffing, and funding to ensure an effective function. See Exhibit 5 for a description of this overall framework of controls.

EXHIBIT 5
Process and Control Framework for Achieving LDC-Compliant Development

Direct Controls:
1. Information: OSS provides information to customers on LDC requirements and processes for complying with them.
2. Development Assistance: Applicant may contact DAC to obtain assistance or advice on how to proceed before an application is filed.
3. Plan: Applicant and/or a design professional develops project plans, technical documents, and completes appropriate applications. Most commercial plans require plans to be sealed by an architect or engineer.
4. Application: Applicant submits appropriate application to the City for review and approval.
5. Intake: OSS receives application and verifies completeness (involves use of intake checklist & more technical completeness checklist). (Not all OSS divisions have an intake section.)
6. Review: OSS reviews and coordinates reviews by multiple departments/disciplines (involves use of review checklists to verify plan complies with LDC requirements).
7. Approval: OSS collects plan review results and determines approval of reviewers. OSS approves compliant plans (or gives feedback on noncompliant plans to allow applicants to revise and resubmit plans).
8. Permitting: OSS issues permits based on approved plans.
9. Construction: Applicant constructs projects according to approved plans.
10. Inspection: OSS inspectors verify construction complies with approved plans and LDC.
11. C.O.: Issue certificate of occupancy.
Indirect Controls:
○ Change Management: Impact assessment of potential changes in requirements and implementation planning to update processes, information, tools, and other resources needed to respond to changes.
○ Information Management: Managing information related to requirements and processes as well as development cases, plan review, and inspection results.
○ Staffing: Ensuring sufficient staffing with knowledge and experience to effectively support LDC compliance.
○ Quality Assurance: Providing appropriate guidance, training, and supervisory review to ensure accuracy and consistency of reviews and inspections, as well as associated Code interpretations.
○ Measurement and Monitoring: Measuring and monitoring key results and indicators to ensure objectives are achieved and to increase attention to problem areas.
○ Resources: Ensuring adequate funding is available through appropriate funding structures.

SOURCE: OCA summary of OSS processes and other indirect controls associated with government performance accountability.

OBJECTIVES, SCOPE, AND METHODOLOGY

Audit Objectives

1. Does OSS have effective controls to ensure compliance with the Land Development Code (LDC)?
2. Is OSS meeting customer service and information needs to help customers comply with the LDC?
3. Are the needed staffing supports in place to ensure an effective LDC compliance function overall?

Scope

The scope for this audit included processes currently in place, and information on known recent development cases with issues identified during survey regarding consistency of Code interpretations.

The scope for data analyses was primarily FY08 data, but in some cases FY07 data (e.g., Voice of the Customer Survey, which was not done in 2008 and was substantially redesigned in 2009) or trend data between FY05 and FY09 (for example, some financial, performance, and staffing data) were used.

Due to other efforts underway at the time of this audit, as well as resource limitations in our ability to cover all high risk areas in this complex set of processes, we limited scope in some areas. At the time of this audit other efforts that were underway and management changes that occurred included:

- Audits on the OCA FY09 Service Plan concerning Utility Coordination, Code Enforcement, and Austin Water Utility, all functions that interact with OSS processes. We limited attention in these areas in this audit and coordinated with the other audits.
- An investigation of OSS electrical inspections that was underway when this audit began and was completed in January 2009. We reviewed the results of the investigation as well as control improvements initiated by management in response to the investigation, and we limited attention in the inspections function during this audit, to be able to focus attention on other areas that had not undergone recent scrutiny.
- Some other investigations that were initiated during the course of this audit, which related to our audit objectives. We cooperated with and did not interfere with these efforts, and in one case, due to independence considerations, we referred the issue to a separate investigative function within the City to pursue. These investigations were underway at the time of this report, and separate reports will be issued on the results once they are complete.
- The reorganization of Transportation and Right-of-Way (ROW) Management functions of OSS into a newly created Transportation Department, along with transportation-related functions from Public Works department. Due to these management changes in progress, we excluded these areas from our scope. These areas include the License Agreement (LA) management process, that grants applicants rights to do limited construct or other activities within easements. LA's are a significant area within OSS because Transit-Oriented Development and Commercial Design Standards may increase the need for License Agreements in

development projects to allow for pedestrian-friendly amenities required by the standards. We are including this as an area for further study.

- We focused our attention on WPDR processes and not on processes of other departments coordinating with OSS. These departments included NPZ, AWU, AE, AFD, HHS, Law, PARD, PW, CTM, Office of Contracts and Land Management, and the newly-created Transportation department.

Due to these conditions, as well as risks we identified during the survey phase of the audit in other areas of OSS, we examined some divisions in detail. Divisions that we did not review in detail include ROW/Transportation/License Agreements, and Site/Subdivision Inspection. We gave limited attention to Building Inspections. The goal of this approach was to focus more on areas that had not been under recent review or management change.

Methodology

Methodology included:

- Interviews with current and former OSS management and staff and customers of OSS. In conjunction with the staff interviews, we administered a rating scale survey of staff on issues impacting their effectiveness in their role in ensuring compliance with Code. In the survey, we asked staff to rate these issues on a scale of 1-5, with 5 being the desired state and 1 being the undesired state, as reflected in descriptions along that scale for each dimension rated. See Appendix E for survey questions and the rating scale for each question. The sample of staff selected for these interviews and surveys was a limited judgmental sample designed to cover the risk areas and different development review disciplines identified during the audit. The sample is not a statistical sample and the results should not be generalized to all OSS staff. However, this approach provided a direct sense of the challenges facing staff, using both discussion and rating scales, and was doable within audit resources and timelines;
- Analysis of data from City Voice of the Customer Survey; Listening to the Workforce Surveys; OSS performance results; budget, staffing, and workload data; Customer Assistance Forms (CAFs); legal suits; claims; and fees of OSS and other cities;
- Review and summary of OSS process flowcharts and related process documents and tools, as well as documents and communication related to known recent development cases with issues identified regarding consistency of Code interpretations;
- Data reliability assessment of any data used to support significant conclusions; and
- Assessment of risks of control overrides on Code interpretations and fieldwork steps to detect potential occurrence, to meet Fraud/Waste/Abuse requirements in government auditing standards.

Compliance with Generally Accepted Government Auditing 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.

AUDIT RESULTS

We found that although One Stop Shop (OSS) provides extensive information for customers, tools for communicating with customers do not provide sufficient assistance to help customers develop property in compliance with the City Code. Additionally, while there have been extensive changes to the LDC in recent years which OSS has responded to, OSS management does not have adequate mechanisms in place to ensure consistency or quality of OSS reviews and does not have a sufficient process to manage implementation of changes to the City Code that impact OSS operations. Furthermore, customer satisfaction with OSS is low in some areas and more tools are needed to effectively gauge and address customer concerns. Some of the issues we identified are exacerbated by workload, staffing, morale issues, and funding constraints, affected in part by fee levels and fee waivers. Addressing these issues is important to ensure the City's readiness to support local economic recovery activities related to development. A number of issues warrant further consideration as they relate to OSS effectiveness but were not examined in detail in this audit.

Although One Stop Shop (OSS) provides extensive information for customers and uses some best practices, OSS tools for communicating with customers do not provide sufficient assistance to proactively increase the likelihood of compliance with the Land Development Code (LDC).

While customers are responsible for complying with the Code, OSS has a role in help customers to comply. In order for customers to effectively and efficiently comply with city codes and regulations, customers must have the relevant information on codes and City processes. OSS management has many of the best practices for communicating with customers in place. However, customer feedback during this audit indicated some problems with information provided through the Development Assistance Center (DAC). In addition, although Austin's development website provides a significant amount of information, it does not provide sufficient information to guide customers through the City's development processes and is not user-friendly for an inexperienced user. Also, customer training has been limited and is not uniformly offered within OSS. OSS management has taken some steps to improve customer information.

Austin uses many of the best practices for communicating with customers. In order for customers to effectively and efficiently comply with City codes and regulations, they must have the relevant information on City codes and City processes, made available to them in a user-friendly way. Customers need to be informed of City processes in order to have realistic expectations for working their way through the process. Our review of best practices shows that communication to external parties (i.e. customers) can take several forms. These include websites, informational brochures, assistance centers, and training. We found that OSS uses many of the best practices for communicating with customers. The two primary means of outreach to customers in Austin are the Development

Assistance Center (DAC) and the OSS website. In addition, OSS has provided some limited training to customers.

Customer feedback during this audit indicated some dissatisfaction with information provided through the Development Assistance Center (DAC). The OSS Development Assistance Center (DAC) has been established to help customers navigate the system. DAC helps walk-in customers and answers questions related to Code requirements and OSS processes. We did not evaluate DAC effectiveness during this audit, but feedback from customers during the audit indicated that customers are not aware of the limitations of DAC consultations. Specifically, customers may not understand that any changes made between initial high-level development plans presented to DAC for consultation and subsequent plans that are more fully developed for formal review may change what regulations are applicable and what processes the customers need to go through. Without such awareness, customers may not do the necessary due diligence to ensure they do not make significant investments in projects that will not be approved or that will not comply with the LDC.

The OSS development website does not provide sufficient information in a clear way to guide customers through the City's development processes and is not user-friendly for an inexperienced user. The OSS website provides an opportunity to present customer information to help customers understand and move efficiently through OSS processes and comply with City Code. The use of the website can save customer and staff time and improve customer satisfaction by eliminating the need for a trip or phone call for customers to ask questions that could easily be answered by the website. The OSS website provides a significant amount of information on City development processes and Code requirements, but it is difficult to navigate and information is not presented in a clear format. Additionally, some information on the website is out-of-date or unavailable.

A comparison of Austin's development website with those of other cities shows that the OSS website is not as user-friendly. We reviewed the development websites of eleven other cities and compared the type and format of information available on those sites to Austin's development website. Ten of eleven peer cities have some form of narrative process guide for customers and new users while Austin does not. Peer cities generally have step-by-step guides or how-to guides, and some cities have links for new users. San Jose has an award-winning community guide, and San Antonio has a Citizens Academy Workbook. Of eleven peer cities, eight have customer surveys available on their websites, and eight provide business hours or a link to business hours on the front page of the website. Austin and three other cities have business hours, but they are more than two clicks in and not easy to find. Some form of contact information is listed on each of the cities' websites including Austin, but all with varying degrees of detail. Austin provides the DAC general phone number and an email link. Other cities have contact information listed on the front page or 'contact us' links. A few cities provide contact information for the department directors and managers. See Appendix D for more details on the results of our comparison.

Several of the website formats of other cities are more easily navigable and customer-focused than Austin's development website and could be used as a model for Austin. Austin's development website provides a significant amount of information, but for an inexperienced user, there is no clear guide to determine which information is relevant to them. As a result, inexperienced users may have to go to DAC or Residential Review to get basic information on where to start.

A 2007 Customer Focus group facilitated by OSS identified a number of suggestions from customers on how to strengthen service via the website. These included suggestions to:

- Make the OSS website more user friendly and learner friendly.
- Develop resources to help new customers understand what to expect as they go through the process. Provide "How to" information for new OSS customers, including clear instructions on what to do, what documents to have, where to go, when to go, and who to see.
- Clarify and communicate standard Code interpretations that reviewers, builders, and inspectors will follow.
- Post all new checklists, ordinances, Code interpretations, hours, and fee changes in a timely manner on the website and in a visible place in each waiting room.
- Develop strategies for customers to pay fees online and with a credit card.

Although OSS management has taken some steps to improve customer information on the website, progress has been limited. Staff have made website improvement suggestions based on information from the American Institute for Architecture. These suggestions have been given to OSS management, but all major changes to the website have been put on hold pending an overall redesign of the City's website, called AustinGO (Austin Government Online), which has experienced several delays. These delays have led to frustration for OSS staff and management, as they have not been able to update their website to provide improved information to customers and citizens.

The unimproved website has had a negative effect on customer outreach, especially as citizens become more reliant on information from the internet. According to staff and customers, new customers arrive at OSS without knowing where to go, who to talk to, and what the hours are. This information is not clearly presented on the OSS website. OSS management and staff are also frustrated with the website. Staff reported that customers are arriving at OSS plan review offices lacking some basic information that could be obtained on the website if the website were more customer-oriented. In addition, OSS management would like to provide for electronic document submittal, online payments, and issuing some basic permits online.

OSS management has not clarified ongoing responsibilities within all divisions for updating website content. Ensuring that the entire development website is up to date is challenging because each division is responsible for its specific content, and there no one person knows enough about the entire development process to update all of the content. Some staff have been specifically assigned responsibility for participating in the Citywide website redesign, but management has not clarified ongoing responsibilities within each division for maintaining website content. However, the Land Use Review (LUR)

division has assigned a coordinator who has been actively working on content updates and improvements.

Customer training is not uniformly offered within OSS, but some divisions have provided training for customers and further efforts are underway. OSS services have not emphasized training opportunities for customers. As a result, customers have had difficulty following the Code and moving through the OSS process efficiently. However, OSS is in the process of establishing a Land Development Academy for staff. OSS will be developing training guides to post on the website for customer use and plan to eventually offer the academy to customers and citizens. This training may help to improve compliance with Code by educating OSS customers about various regulations and requirements.

In addition, customer training efforts in OSS divisions include the following:

- LUR is working to implement training sessions for customers. They have completed seven dry-run training classes internally and plan to provide these classes externally by the end of the fiscal year. They are also updating their training manuals and creating training tools. For example, LUR has identified the most frequent reasons for plan failure and developed a simplified handout on them, drafted a customer service survey, and developed a customer bill of rights. Additionally, a draft Customer Service Business Plan for FY10 has been developed and input from staff is expected to be completed by the beginning of the fiscal year. In addition, LUR has provided training to some companies and is considering putting this training on DVD to increase efficiency by minimizing staff time involved in providing direct training.
- The Building Inspection Division has partnered with the Austin Home Builders Association to provide training classes to contractors including an Inspections 101 class in September 2007. They also provided stakeholder training on the AMANDA land development information system for contractors from multiple disciplines and created inspection process flowcharts that are available for customer use.

In addition, management indicates that professional engineers and architects often submit applications with errors, and that the project owners are not always aware of the poor quality of plans submitted for permitting, indicating that strengthening design professional accountability needs to be included in quality initiatives. For example, this may include notifying owners of plan review comments when plans are not approved because of such errors. Causes for minimal customer training efforts in the past have included limited resources and staffing. Staff and management have reported being overburdened with direct development service and unable to commit the time necessary to build these outreach efforts. Potential effects include Code violations that are not identified by OSS, along with inconsistent Code interpretations

Recommendations:

01. To ensure that citizens and customers have needed development information online when the City does move forward with the AustinGo website redesign, OSS management should utilize this effort to make the OSS website more customer-oriented, user friendly, and learner friendly. In particular, OSS Customers could benefit from:
- a. better information in narrative, descriptive formats, such as informational brochures and step-by-step guides that are available on the website. This information should be designed to help new customers understand what to expect as they go through the process. “How to” information and clear instructions should be developed for new OSS customers on what to do, what to have, where to go, when to go, and who to see; and
 - b. improved ability to do business online such as allowing customers to pay fees online and with a credit card and allowing customers to obtain simple permits online.

MANAGEMENT RESPONSE: Concur

a. WPPDRD's PIO staff is working with a CTM web developer to update both the content and the organization of the development web site. Application packets are being updated in Land Use Review (LUR) to include narrative to help applicants with submissions. When complete, these applications will be updated online. There are also plans to create illustrated examples of submittals to provide guidance on how to complete applications.

b. Online transactions are part of a Citywide cashiering project. Once the Controller's Office has selected and implemented an enterprise system, AMANDA can be reprogrammed to accept more online payments. However, customers are currently able to pay some escrow fees online. The ability to submit applications online will be part of the AMANDA web rewrite. Meetings will continue with CTM about both processes, but the online applications are tied to customers' ability to make payments with their permit application submittals.

02. To ensure that the development website contains accurate and up-to-date information, OSS management should establish a clear process within OSS with an overall coordinator and assigned liaisons in each division responsible for evaluating, approving, and monitoring website improvements.

MANAGEMENT RESPONSE: Concur

A liaison appointed in each division to participate in the web redesign is planned to ensure accuracy and completeness of information, as well as to alert the need to update after initial launch. The department PIO will be responsible for ensuring the information is understandable to the general public and meets customers' needs.

03. To offer customers an interactive way to learn about the development process and improve compliance with LDC, OSS management should:
- c. offer customer training on how the OSS process works and on how to use web-based systems;
 - d. prioritize the Land Development Academy and work to make it available to citizens in a timely manner; and
 - e. consider designing training sessions for homeowners, home builders, small business owners, etc. on topics that are commonly asked questions.

MANAGEMENT RESPONSE: Concur

- a. Use Land Development Academy curriculum to develop customer training.
 - b. Continue with implementation plans of Land Development Academy. Academy session planning meetings are conducted weekly.
 - c. This has been considered and has been implemented on a number of occasions for various stakeholder groups. Additional structured sessions for presentations will be developed.
-

OSS does not have sufficient mechanisms to ensure quality and consistency in Code interpretation, resulting in problems with development cases particularly in Residential Review. Management has been working on improvements, but further improvement is needed.

Significant changes in LDC requirements over the last few years have increased the amount and complexity of requirements that must be reviewed by OSS staff. When staff review plans for compliance with the Code, interpretation issues may arise for various reasons. Some inconsistency is inherent and expected because of some ambiguity and intentional flexibility in the Code. However, issues may also result from plan review mistakes, due to insufficient review or guidance to staff. We found that OSS has a number of tools and controls in place to help ensure quality of reviews. However, in some OSS divisions, management has not provided sufficient review or guidance to staff to ensure consistent Code interpretations. In Residential Review, we found that Code interpretation problems occur regularly and that the review process is missing steps needed to verify compliance with some aspects of Code. Management is in the process of implementing a comprehensive plan to improve the quality of reviews in this division, but indicates that training and resources are severely limited.

We also found that approvals of exceptions to LDC requirements by the WPDR director have increased in frequency and have not been adequately tracked to ensure consistency in granting such exceptions. We have also identified concerns about the consistency of the Board of Adjustment in granting variances to the Code. WPDR recently established a Development Liaison role for resolving conflicts with Code interpretation, but further improvement is needed to reduce Code interpretation issues in the first place. In addition, management has not established a clear policy and process for handling cases that may circumvent normal processes or be escalated to high-level officials. However, despite the existence of Code interpretation conflicts, our review of relevant legal suits and claims does not indicate that the City is being sued or having to pay claims over inconsistencies in code interpretation.

OSS has a number of tools in place to help ensure quality of reviews, although OSS does not consistently use of these tools across divisions. OSS has a number of tools and controls included in its processes to help ensure quality and consistency of plan reviews. These tools include extensively-documented process flowcharts and checklists used during plan review. Plan review processes include high-level intake reviews, more detailed completeness checks, and formal technical reviews by staff with expertise in different disciplines. See Appendix B for a listing of the processes within OSS divisions that have associated tools in place to help ensure consistency. Each process generally has three to five or more tools used by staff and/or customers. In addition, criteria manuals provide interpretation of how to comply with Code.

Although staff in some divisions have indicated that they do not rely on checklists or criteria manuals to perform reviews, such checklists and manuals can serve as a tool to increase consistency of review, especially for new staff. In addition, checklists may be

used for training new staff and customers, as well as by supervisors to verify completeness of reviews.

- Land Use Review (LUR) has extensive checklists. Some staff in LUR use the checklists to guide their reviews, while others use criteria manuals, GIS information on neighborhood plan areas and boundaries, and the LDC itself.
- Residential reviewers have been most affected by the increased requirements of the McMansion ordinance, as well as Neighborhood Plans (NPs) and Neighborhood Conservation Combining Districts (NCCDs). Multiple checklists are in use or development for reviewing residential plans. However, checklists for NPs and NCCDs, which have extensive detailed requirements specific to each plan area, are not in place. At the time of our audit, management was in the process of developing checklists for these requirements.
- Commercial Review and DAC staff do not use checklists. While Commercial Review staff are typically more experienced and rely more on technical codes, use of checklists could help mitigate risks related to turnover. A limited type of checklist is used in the form of spaces for review comments by each review discipline included in the back page of the commercial building application. In DAC, checklists are not currently used but could potential be helpful to help ensure consistency in reviews of site plan exemptions and corrections.

Insufficient supervisory review in some OSS divisions increases the risk of inconsistent Code interpretations. Supervisory review should be in place to ensure consistency of staff Code interpretations. We found that there is insufficient supervisory review among some OSS divisions, particularly Residential Review, to ensure consistency of staff Code interpretations. OSS management has expressed a concern about the need for methods to ensure quality of reviews by staff. In addition, a past audit by the City's Corporate Internal Audit group found shortcomings in the extent to which some environmental plan reviews within Land Use Review (LUR) were documented. During the current audit, we found that the supervisor for one section within LUR has a formal process in place to periodically check reviewers' comments to ensure consistency. However, other LUR supervisors indicated a lack of time to dedicate to formal reviews for consistency, and Commercial Review and Residential Review do not perform such reviews.

Supervisory review of staff work in Commercial Review is accomplished through biweekly meetings among reviewers and meetings with inspectors. Supervisory review of staff work in Residential Review has been limited to weekly meetings where staff discuss cases. However, further improvement is needed from the perspective of both staff and management of Residential Review, to reduce Code interpretation issues resulting from plan review that are often not discovered until inspections occur.

Building Inspections recently implemented quality control inspections to verify the quality of selected inspections. They have documented these inspections and noted whether any problems were found. Lead inspectors are expected to perform these quality control inspections as a requirement of their performance plans. However, more

consistency in performing supervisory review of staff work is needed across OSS divisions.

Management has not consistently provided guidance to staff in all divisions to ensure consistent Code interpretations in cases where Code language may be vague or subject to interpretation. Guidance should be provided to staff to ensure consistent Code interpretations in cases where Code language may be vague or subject to interpretation. This guidance should address both new and current cases involving unusual interpretations, as well as any instances of reversed Code decisions which may have arisen from the discovery of a past error that occurred in review.

We found that management has used interpretation memos to guide staff in making consistent code interpretations, although this practice has not been consistent across all OSS divisions. Some units within LUR retain communication on Code interpretations on the department's network drive to serve as policy guidance to staff. For example, guidance has been posted for LUR staff use on Code interpretations for environmental requirements, notification requirements, transportation requirements, subdivision permitting procedures, and others. Another tool used by LUR is the comment library. This library contains standard review comments for common deficiencies found in plan review. In Commercial Review, when a dispute over Code interpretation comes up, once a decision is agreed upon, a memo is sent to all interested parties informing them how the Commercial Review group will address the issue. However, these memos are not posted on a network drive for future reference. In Residential Review, Code interpretation guidance memos have been used in the past and to some extent currently. Building Inspections division staff issue Code interpretation memos when the need arises and share this guidance with staff in weekly staff meetings, but these are not posted on a network drive for future reference. The WPDR director indicated a desire to establish a policy guidance database that would be searchable, and that any policy significant enough would warrant inclusion in the database.

We found that Code interpretation problems occur regularly in Residential Review. Management provided us with documentation of detailed communication between applicants and staff on 15 cases over a nine-month period (August 2008 – April 2009) regarding errors or differences of opinion on how the Code should have been applied. While we did not examine all cases reviewed during the same period to determine the percentage of all cases that had such issues, the extent of issues identified with cases we did review indicates the need for improved consistency in Residential Review. Residential Review management indicated that issues with Code interpretations occur weekly, and causes for inconsistency include staff capability, frequency of changes without stakeholder intent clarified, and pressure for quick turnaround time compared to other review divisions. Also, residential review requirements have become more complex, indicating a more extensive review may be needed, perhaps comparable to the LUR reviews.

Residential Review is missing steps needed to verify compliance with some aspects of Code. Plan review processes should be designed to check for compliance with all

relevant aspects of Code. The residential review process is incomplete with respect to verifying technical aspects of residential development plans, such as building, mechanical, and plumbing code requirements. In the current Residential Review process, staff review for land use compliance only and do not review for technical code compliance. As a result, the inspection step is the first opportunity to assess compliance with the technical codes. Because of this, issues may arise at the inspection step for items that never received a plan review. This is different from Commercial Review, for which both land use and building code compliance are reviewed (by LUR and Commercial Review, respectively) prior to permits being issued. Because the technical code review is missing for Residential Review, customers may then experience inconsistency and surprises at the inspection step.

WPDR Management is in the process of implementing an initiative to improve the quality of reviews in the Residential Review division, although management indicates that training and resources for this effort are limited. To improve the quality of residential reviews, management reported having made improvements through a Residential Review quality initiative by creating training material and an exam for McMansion Rules, establishing a McMansion Review Committee, creating checklists for McMansion and NCCD rules, implementing an automatic email public notice mechanism, and improving communication between the permitting and inspection groups.

Management also reported plans to continue to address the problem, including plans to:

- Create a Review Process Liaison, create a triage center, and recognize strong customer service;
- Establish more realistic turnaround time requirements;
- Update and revise the performance review process for staff to document employee errors;
- Update the technical training and/or tools provided to staff, including exams and checklists;
- Create a public outreach service to citizens in the form of training sessions and email notifications for interested parties; and
- Analyze how the McMansion ordinance affects the application and review process, to find opportunities to fine tune the ordinance or develop informational materials to address issues that cause difficulty or uncertainty for applicants and staff.

Management is working to implement these improvements despite constrained resources. Additionally, Residential Review management indicated that the division may need to be reorganized and modeled after LUR subdivision/site plan review and commercial building plan review in order to incorporate a central intake structure, a completeness check step, and coordinated reviews by multiple disciplines. Residential Review management also indicated that review times may need to be lengthened, especially with regard to the same-day approval currently offered for walk-in customers with projects that are not new construction.

WPDR director approvals of exceptions to LDC requirements have not been adequately tracked to ensure consistency in granting such exceptions. Part of ensuring consistent Code interpretation includes having processes for approval of exceptions to Code. Established processes exist for approving exceptions to current LDC requirements. Chapter 245 of the LDC allows grandfathering from LDC requirements in certain conditions.

OSS has an established process for applicants to request grandfathering under Chapter 245. This process includes a Chapter 245 Committee that reviews grandfathering requests against criteria established by law and makes recommendations to the WPDR director to approve or deny the requests. At times, grandfathering requests that are denied are sometimes given some partial accommodation by the WPDR director. Management indicates that this is done to grant limited accommodations that are reasonable in cases in which the law may be ambiguous, there are clear environmental trade-offs, or denying applicant requests altogether could result in costly litigation. There is a formal system to track applications for Chapter 245 grandfathering. This system allows one to determine the number of grandfathering requests made, the applicants who applied for the exemptions, the location of their properties, and the number of applications approved or denied. Letters of accommodation issued by the WPDR director for Chapter 245-related requests are tracked, but are not tracked to provide a comprehensive view of the extent to which these accommodations occur in the context of all requests. Processes for approving such exceptions to current LDC requirements should be administered consistently and monitored to ensure appropriateness.

We found that such accommodations have increased in frequency over the past two years, based on our review of accommodation letters provided to us by management. However, because these letters have not been retained in a single location, either in OSS or in the Law department, we are not certain that all such letters have been accounted for. Other issues related to these accommodations were under review at the time of this report, and a separate report will be issued at the conclusion of that review.

We have identified concerns about the Board of Adjustment's consistency in granting variances to the Code. Applicants seeking variances from LDC zoning requirements may file a request for variance with the Board of Adjustment (BOA). For example, if a resident wants to build a structure with less of a setback from the property line than allowed by zoning, the resident would submit an application for variance to the BOA. However, citizen input at the Council Audit & Finance Committee (AFC) during the scope of this audit raised concerns about the BOA process for granting variances. One concern is the Board's practice of allowing multiple reconsiderations of a denied variance request. Our office completed a special request project for City Council in June 2009 that summarized the extent of reconsiderations by the BOA.

Another concern is that the Board may be inconsistent in applying the criteria of hardship unique to the property in determining approval of variance requests. A specific citizen concern in this regard is that the BOA has been treating staff errors, which may have led to a preexisting condition of noncompliant construction, as the basis for hardship in

granting variances that otherwise may not have been granted. The Council AFC has requested that the BOA and City Law department work to resolve issues related to the bylaws. However, further assessment may be needed of the Board's consistency in applying the criteria for hardship in granting variances.

WPDR recently established the role of Development Process Liaison for resolving conflicts with Code interpretation. Since development in Austin is guided by many complex rules and ordinances, it often leads to numerous questions and frustrations for developers, contractors, homeowners, and neighborhoods when they attempt to understand the development process or complete a project. To better address the problems that arise when dealing with complex projects, management has created a Development Process Liaison. The liaison will help resolve issues and answer questions about the development process. Although the liaison's role is primarily meant to solve problems or conflicts that occur during the development process, the liaison will also help answer basic development questions for those unfamiliar with the process. Those needing help with the development process can reach the liaison by calling 974-6000, emailing developmenthelp@ci.austin.tx.us, or completing a form that has been set up on the OSS website. Management anticipates that this role will evolve as they learn more about the types of issues brought to the liaison, but that over time the liaison will be a great asset in helping to reduce confusion and ease frustration that can be experienced by OSS customers.

Management has not clarified for staff the informal appeal process that occurs when cases are escalated to high-level officials, which may result in repeated questions of staff about their interpretations of the Code. When citizens contact elected officials or upper management because they disagree with a staff decision about a case, the case is then reviewed, sometimes at more than one management level. This can result in repeated questioning of staff on the details of the case and the basis for the decision. This repeated questioning may create unintended perceptions by staff that management does not support them or that management assumes that staff are in error or being uncooperative. Ultimately, upper management must make a decision after considering multiple interpretations of the Code. However, staff perceptions about management support could be mitigated by establishing a clear policy outlining the informal appeal process and routine fact-finding that occurs when cases are escalated and reinforcing management's intention to support decisions in compliance with the Code. At the same time, staff members need to be encouraged to provide factual information referencing the LDC that supports their interpretation and work to clarify their interpretation.

In examining specific instances of concern raised by staff during this audit to date, we have found no evidence indicating improper application of the Code, although differences of opinion existed in interpreting the Code. However, at the time of this report, we were still in the process of reviewing some of the specific allegations that were brought to our attention. We will issue a separate memo report if we determine that staff have been pressured to approve development that is not compliant with the Code.

In addition, OSS management sometimes accommodates requests by customers to expedite reviews or complete reviews out of order, which may create perceptions of inequity. Management indicated that they evaluate and research these requests on a case-by-case basis and consider whether the City has made an error in deciding whether to accommodate each request. It is important that management clarify this policy for all stakeholders involved.

Although Code interpretation problems are occurring, our review of legal suits and claims does not indicate that the City has been paying out on lawsuits or claims related to inconsistent interpretations. On occasion, if conflicts are not resolved through direct city processes, parties have filed lawsuits over Code interpretation issues. We examined legal suits and claims against the City from FY05 to early FY09, and we did not identify any lawsuits for which the City has been found liable for damages related to this area; nor did we find any claims against the City in this area. Overall, we did not find that the City is being sued for damages because of inconsistencies, but the City is being sued on occasion by parties seeking legal rights to develop property or to limit development under current laws. Our review of information on relevant lawsuits showed that several cases were related to grandfathering decisions. Money is rarely exchanged in these cases; the court is usually just making a determination on applicants' development rights.

Recommendations:

04. In order to improve consistency of staff review of plans and other submitted documents, OSS management should:
- a. Expand the use of quarterly supervisor reviews of plan review checklists or comments to ensure completeness and consistency of review, and establish related performance measures to reflect the results of these supervisory reviews.
 - b. Expand the use of the guidance memos on Code interpretations and the use of the network drive for sharing guidance on Code interpretations and/or standard comment libraries for all divisions.

MANAGEMENT RESPONSE: Concur

- a. Routine audits by supervisors or technical leads will be performed. Assessment measures tailored to each division will be incorporated into supervisors' SSPRs.
 - b. Memos will be issued as needed and filed in a central electronic location assessable by staff. Experts in each review area will be identified for the Land Development Academy.
-

05. To ensure that residential plans comply in all respects with LDC and that residential customers are not surprised by requirements after completing construction, OSS management should either establish a process for reviewing technical aspects of residential building plans, or clarify to customers that a technical review is not performed and that customers need to ensure compliance themselves prior to starting construction.

MANAGEMENT RESPONSE: Concur

- a. Investigate methods to implement a technical review.
 - b. Investigate the feasibility of a contractor certification program.
-

06. To make needed improvements in Residential Review, OSS management should continue to implement the Residential Review quality initiative.

MANAGEMENT RESPONSE: Concur

The Residential Review Quality Initiative will continue to be implemented. In addition, we propose a new technical team review by discipline be included for the program to be thorough, accurate, and successful.

07. To ensure that OSS consistently tracks and handles grandfathering requests, OSS should track all requests under Chapter 245 and record whether accommodation is granted.

MANAGEMENT RESPONSE: Concur

A tracking spreadsheet has been developed but will require further refinement to record this information.

08. In order to mitigate potential staff perceptions that management does not support staff decisions in interpreting the Code when cases are escalated to high-level officials, the OSS Director and the ACM over OSS should establish and communicate a clear policy outlining the informal appeal process and routine fact finding that occurs when cases are escalated to high-level officials, reinforcing management's intention to support decisions in compliance with the Code.

MANAGEMENT RESPONSE: Concur

A policy that outlines the informal appeal process and routine fact finding that occurs when cases are escalated as noted will be established and communicated to staff.

A more systematic process is needed for managing the implementation of Land Development Code (LDC) changes in One Stop Shop (OSS) processes. Several processes have been implemented, but further development is needed.

The City Council has approved numerous changes to the Land Development Code (LDC) between 2006 and 2008, and the complexity of these changes requires significant training and support systems. In addition, ordinance changes may sometimes create conflicts with other provisions of Code, creating problems in implementation. Also, Council is not always informed of the full impact of Code changes on OSS operations, and the intent of LDC changes has not always been clear to staff responsible for implementing the changes.

Additionally, we found that management lacks a sufficiently comprehensive and systematic process for tracking and implementing these ordinance changes into OSS processes. Although some tools used by OSS staff are current, reflecting key LDC changes, other important ones are not current. In addition, some criteria manuals, which provide interpretation of the Code, have not been comprehensively updated to consolidate requirements and eliminate redundancies. The OSS process for communicating Code changes is informal and decentralized, and staff training is not occurring regularly enough to keep staff up to date with what they need to know to review plans for compliance. WPDR management is currently developing a new change management process to provide for a more structured transition after ordinances are passed. We found that the new process includes some important elements but needs further development.

Code changes developed by management may sometimes create conflicts with other provisions of the Code, creating problems in implementation once approved by Council. Changes to the LDC are usually initiated by City Council or the Planning Commission and are developed and vetted by departmental staff and management. However, changes to one part of the Code may create conflicts with other parts of the Code. After Code changes are vetted by management, approved by Council, and applied to specific projects during review or construction, conflicts or issues of interpretation may be discovered. Although the process for revising the Code can be lengthy, some of these conflicts may be avoided through a more detailed review by stakeholders; however, this would lengthen the process for Code changes and may not eliminate the need for subsequent refinement. An example of such a conflict is sidewalk widths. Before the 2007 Commercial Design Standards were approved by Council, there were old regulations that guided sidewalk requirements based on street type. However, when the Design Standards took effect, they set new requirements and new categories of street types. The old section of the Code was never cleaned up to make it consistent with new regulations. As a result, reviewers have to interpret which category of street types to apply when reviewing development plans.

In addition, City Council is not routinely informed of the full impact of Code changes on OSS operations. Although Council is provided with fiscal impact information for Requests for Council Action, this information may be pulled together

quickly and does not contain detailed information about the impact on operations. OSS management has suggested the potential value of an implementation plan to accompany each ordinance, to fully inform City Council and to allow for appropriate planning to support staff and customer transitions. Implementation plans could include a timeline and anticipated resources for updating relevant applications and checklists, providing training for staff, and providing outreach to customers.

Management also explained that when Code changes occur, increasing layers of requirements develop. However, no one assesses the overall regulatory framework and cumulative impact of multiple changes over time. In regard to new Code changes under consideration by Council during this audit, the proposed Remodel Ordinance is a concern to some divisions in OSS, including Residential Review and Building Inspection groups. Input from management of these groups indicates that staff, customers, and the City will face significant challenges in implementation, and further consideration should be given to implementation details before passing the ordinance.

Staff and other parties responsible for implementing LDC changes may not fully understand the intent of the changes, because the intent has not always been clarified. To ensure consistency in interpretation, the intent of ordinances should be clear to staff who are interpreting and enforcing these ordinances. Most of the ordinances changing the LDC are developed by staff of Neighborhood Planning and Zoning (NPZ). OSS staff have indicated that the intent of some ordinances has not been clear and that it would be beneficial to receive clarification of the intent. In addition, the members and staff of boards and commissions such as the Board of Adjustment (BOA) need to understand the intent of Code in order to apply it appropriately and consistently. For example, recent discussion at the Audit & Finance Committee by the Chair of the BOA revealed a disconnect between the intent of the Commercial Design Standards and the BOA's interpretation of the intent. The BOA chair indicated the need for training on how to interpret this aspect of the Code.

Management lacks a sufficiently comprehensive and systematic process for incorporating Code changes into OSS processes. With the amount of change that has occurred with development regulations, it is important that effective processes be in place to deal with this change. WPDR has a process for tracking major ordinances and rules changes. This is a detailed process that follows the City's rule change process and includes internal review by all groups affected by the ordinance before it is passed. However, this process does not track ordinance changes through to implementation in OSS divisions and would benefit from being more systematic and comprehensive.

WPDR has assigned responsibility to staff for tracking proposed ordinance changes and coordinating review and input of involved functions. The assigned staff member maintains a spreadsheet that tracks information such as the ordinance proposal date, the origin of the ordinance, Council meetings where a particular ordinance is discussed, a statement regarding the affordability impact of the ordinance, the effective date of the ordinance; and whether a particular ordinance requires additional training for OSS staff. However, existing tracking has not included all relevant ordinances. Also, the

responsibility for tracking changes that are needed to incorporate approved LDC changes into process tools such as applications and checklists has been less consistent and decentralized in OSS divisions without centralized coordination. In addition, although numerous tools are in use such as checklists, applications, and process flowcharts, management and staff did not have a comprehensive listing or inventory of these items. As a result, the process of identifying which of these tools are affected by a particular LDC change is not efficient, and updates to these tools are incomplete. In providing information for this audit, management has created some elements of an inventory, including identification of owners of each set of tools. See Appendix B for a listing of the processes within OSS divisions that have associated tools that need to be kept current. This list contains 74 sub-processes. Each process generally has three to five or more tools used by staff and/or customers. These include a process flowchart, an application, up to three different types of checklists (intake, completeness, and review), and in some cases, informational brochures (for example, on impervious cover requirements or parking requirements). This means that there are approximately 200-300 individual process tools that may need to be updated when Code changes occur, depending on the nature of the change. With this many items to manage, a more systematic change management process is needed.

Although some tools used by OSS staff are up to date and reflect key LDC changes, other important ones are out of date. To ensure compliance with the most current LDC requirements, it is important that tools used by staff as well as customers reflect current requirements. Our review of key LDC changes related to McMansion residential standards and Commercial Design Standards, compared to staff tools used in OSS, found that most applications have been updated, but not all checklists used by staff and/or customers have been updated to reflect current LDC requirements. In addition, criteria manuals, which provide interpretation of how to comply with Code, are not all current. Although some staff have indicated that they do not rely on checklists or criteria manuals to perform reviews, such checklists and manuals can serve as a tool to increase consistency of review. Therefore, it is important that these tools be kept current.

Land Use Review (LUR) has extensive checklists, which we found to be current with the Commercial Design Standards, along with associated applications. Residential reviewers have been most affected by the increased requirements of the McMansion ordinance, as well as Neighborhood Plans (NPs) and Neighborhood Conservation Combining Districts (NCCDs). The residential application has been updated to reflect the McMansion requirements, and multiple checklists are in use or development. However, checklists for NPs and NCCDs, which have extensive detailed requirements specific to each plan area, are not in place. At the time of our audit, management was still in the process of developing checklists for these requirements.

In addition, management has not comprehensively updated criteria manuals, which provide interpretation of the Code, to consolidate requirements and eliminate redundancies. OSS as well as other departments are responsible for updating the manuals. We found that although some of the criteria manuals are current, others are out-of-date. Some are updated on a quarterly basis. See Exhibit 6 for the status of the criteria

manuals and standard specifications. One of the criteria manuals, the Environmental Criteria Manual, has been significantly updated as part of a water quality control improvement effort in 2008-2009 managed by WPDR's drainage utility staff. However, updates to others are needed to ensure they reflect the current Code. A lack of clear responsibility and authority for directing and monitoring updates of manuals, which are shared by multiple departments, has contributed to some manuals being out-of-date. Clarifying these responsibilities, as well as strengthening the process for monitoring and oversight to ensure that manuals are kept current as LDC changes occur, will help ensure the usefulness and accuracy of these tools for both staff and customers.

EXHIBIT 6
Status of Criteria Manuals and Standards as of July 2009

Criteria Manual	Status
Building	The Building Criteria Manual has not been significantly changed since 1988, although some updates have been made since 2006 – to Permit cancellation rules, residential building application requirements, project description form, and Transit-oriented development (TOD) requirements. Management has worked on major changes that have gone through the rules posting process and should be rolled out sometime in August.
Drainage	Up-to-Date – Updated Quarterly – several updates made during 2006 and 2009.
Environmental	Up-to-Date from a comprehensive water quality and drainage control improvement effort in 2008 - 2009.
Fire Protection	Up-to-Date – Last updated in 2006 following the adoption of the current fire Code. Management will not be submitting any substantial changes until adoption of the 2009 International Fire Code.
Standards & Standards Specifications	Up-to-Date – Numerous updates made during 2006 to 2009.
Transportation	Some updates made during 2006 and 2008 to requirements related to parking lots, sidewalks, and concrete slabs. Updates are needed to street types, right-of-way widths related to sidewalk requirements of Commercial Design Standards, and Traffic Impact Analysis methodology.
Utilities	Updates made in 2007 on requirements for working in public rights-of-way and miscellaneous forms. Additional updates are needed. Austin Energy has changes underway for posting in August 2009 to update the electric design criteria in the manual to reflect current codes and practices. Austin Water Utility is working on updates to Water and Wastewater design criteria to be posted in the fall of 2009.
Administrative	Largely out-of-date and no longer maintained or available on the City's website. However, there are still some valid sections that staff use. OSS management has made copies available to staff who need to use them.
Traditional Neighborhood Districts	Has never been updated. The TND Manual would be used by staff as well as by customers who are designing a Traditional Neighborhood District development. The manual was adopted around 1997, and OSS has had only one development since then that submitted an application under these regulations.

SOURCE: OCA review of online criteria manuals and records of revisions and additional status information provided by management.

OSS management does not have an overall process in place for consistently communicating Code changes to staff. In order to perform effective plan reviews, staff need to be informed of the most current requirements. Front-line staff involved in reviews have indicated that the process for communicating Code changes is informal and decentralized. Several different pathways exist for learning about changed requirements – these include memos from supervisors, informal list-serves, website updates, the City’s online LDC, separate software linking to the LDC, and updated training manuals. However, there is no overall process for consistently communicating Code changes. As a result, staff may be uninformed and somewhat disconnected from the change implementation process.

Staff training is not occurring regularly enough to keep staff up-to-date with what they need to know to review plans for compliance. To effectively and accurately provide information to customers on the LDC, OSS staff should be trained to know what regulations apply to any given development project and be able to consistently interpret those codes and regulations. During this audit, both customers and staff cited training as a major issue at OSS. In addition, according to a recent staff survey administered by OSS, 45% of staff do not feel as though they have been offered ample training pertaining to their position. Management indicated that OSS staff require a higher level of training than is currently available, and that training can conflict with achieving review times and performance measure targets in peak market conditions.

During this audit, most of the staff we interviewed thought that training was especially lacking in terms of communication of new ordinances. Staff receive regular training in DAC, Building Inspections, and to some extent in LUR, but more training on new requirements and standards are needed by LUR, Commercial Review, and Residential Review.

- DAC training and information gathering comes from the discipline-focused meetings that staff attend. Additionally, DAC staff hold daily meetings to achieve consistency among staff.
- LUR staff thought that training was mostly sufficient except when it came to new codes and regulations. They reported that they may receive an email with the Code changes, but that they have limited time to read such emails, with all of their other deadlines. Sometimes staff will receive a briefing by the author of the ordinance. Increased training could improve consistency issues, but the LUR supervisors, who also act as reviewers and would be the ones to provide such training, indicated that trying to provide thorough training on top of their regular workload might be a significant challenge.
- Commercial Review staff indicated that more training is needed to keep current with and have the opportunity to influence technical standards as they evolve. Commercial Review did provide several training sessions on the Commercial Design standards.
- Input from Residential Review indicated although the training provided on McMansion was adequate, training overall was inadequate. Staff in residential review supporting the BOA indicated that both staff and the Board were not given training on the Commercial Design Standards. Although they were given a short

briefing after the standards were adopted, the BOA does not fully understand the intent of the standards.

- According to Building Inspections division manager, inspectors have weekly trainings on the Code.

WPDR management is currently developing a new change management process for ordinances to provide for a more structured transition after ordinances are passed.

Management piloted this with a recent ordinance on Outdoor Music Venues. This process includes milestones that outline the steps for coordinating ordinance changes.

These include:

1. Identifying staff, content manager, assigned attorney, and stakeholders, with email notification to the Assistant Director, Director, and all identified parties.
2. Developing a presentation of proposed Code/ordinance background and purpose, drafting Requests for Council Action (RCAs), and sending via email to all identified parties.
3. Conducting staff briefing/training meetings and emailing the schedule to the Assistant Director and Director.
4. Creating exams when necessary and emailing the timeline of the exam schedule to the Assistant Director and Director.

However, our review of this new process revealed that it did not include clear steps for updating staff tools such as checklists, nor a comprehensive inventory of these tools.

Recommendations:

9. To ensure that LDC changes are effectively implemented, when ordinances are developed that change OSS requirements, OSS management should ensure that an implementation plan is developed and provided to Council for its consideration when passing the ordinance.

MANAGEMENT RESPONSE: Concur

Implementation plans for ordinances resulting from proposed Land Development Code changes will be developed and communicated as appropriate. This type of information is provided to the Budget Office prior to ordinance adoption.

10. To minimize potential Code conflicts when LDC changes are developed and to ensure that subsequently-identified Code conflicts are resolved, the director of NPZ should ensure that staff review changes for potential conflicts with existing regulations and should establish a process for dealing with Code conflicts that are discovered after Code changes have been approved.

MANAGEMENT RESPONSE: Concur

- a. A review already occurs via distribution of proposed ordinances for staff input, prior to ordinance being passed. For critical ordinance changes that affect large groups of staff an informational meeting will be considered.
 - b. A process will be developed to deal with code conflicts that may surface following code change approvals.
-

11. To ensure that the OSS ordinance change management process is complete and that OSS tools are up-to-date, the Director over OSS should continue to refine the new change management process for ordinances to provide for a more structured transition into OSS processes. Specifically, the OSS director should:
- a. Establish clear responsibility and a process to strengthen tracking and monitoring of ordinance implementation to include all relevant ordinances and all affected processes and procedures and tools.
 - b. As part of this effort, establish a comprehensive inventory of tools used by OSS staff and customers, clarifying ownership of items in the inventory, and responsibility for managing and monitoring updates to the inventory as well as the items in it.
 - c. Follow through with updating and implementing checklists, applications, and notices that are not yet current but are necessary and relevant to ensure consistent review, and require consistent use of such checklists by staff.

MANAGEMENT RESPONSE: Concur

- a. Tracking and monitoring is in place. Additional refinement will ensure that effective processes, procedures and tools are included.
 - b. A comprehensive inventory of tools used by OSS staff and customers will be developed. Ownership of items in the inventory, and responsibility for managing and monitoring updates to the inventory will be identified.
 - c. Finalize the updating of checklists and develop a procedure that requires staff properly use them.
-

12. To provide current interpretation guidance on Code requirements for OSS customers and staff when submitting or reviewing plans, OSS management should work with the City Manager's Office and coordinate with other departments to:
- a. clarify the responsibility and process for directing and monitoring departmental updates to the criteria manuals,
 - b. ensure that the criteria manuals are updated to reflect current Code, and
 - c. consider consolidation of content within each criteria manual to eliminate redundancy, similar to efforts already underway for the environmental criteria manual.

MANAGEMENT RESPONSE:

- a. Concur. Criteria manuals are updated by City staff on an ongoing and/or as needed basis. No OSS individual or division currently retains formally delegated responsibility for specific criteria manuals. Additionally, under the City-wide rules promulgation process, any department may propose revisions to any criteria manual. OSS management will work with the City Manager's office to create a memo of understanding to clarify the responsibilities and process.
 - b. Partially Concur. When changes to the criteria manual are necessary, OSS staff who initiate the code change will be charged with notifying the Development Rules Process SPOC.
 - c. Concur. After the Comprehensive Plan has been adopted by Council, it is anticipated the code and its associated criteria manuals will be rewritten. Consider hiring an external consultant to undertake this initiative (subject to available funding).
-

13. To ensure that OSS staff have sufficient understanding of the intent of LDC changes to make appropriate Code interpretations, the director of NPZD and OSS management should coordinate on developing and communicating both before and after LDC changes occur. Specifically, the intent of the ordinance changes should be clearly stated in the Code itself, and the directors should assign responsibility for clarifying the intention of these changes to OSS staff responsible for implementing them, and establish a clear process for communicating this information.

MANAGEMENT RESPONSE: Concur

This is being taken care of by the consolidation of NPZD and OSS.

14. To ensure that staff are kept up-to-date with LDC changes, OSS management should
- a. Continue implementing the plans for the Land Use Academy;
 - b. Include training expectations on staff SSPRs to ensure that they are given the time to attend training sessions; and
 - c. Establish clear, consistent information pathways or channels for communicating approved Code changes affecting OSS to staff and making training available and required across OSS divisions.

MANAGEMENT RESPONSE: Concur

- a. Continue with implementation plans for Land Development Academy.
 - b. Training expectations are already included in SSPRs.
 - c. Land Development Academy is incorporating provisions for this item.
-

Customer satisfaction with OSS is low in some areas, and while several improvements are underway to strengthen customer service, more tools are needed to effectively gauge and address customer concerns.

The City and OSS have some mechanisms for gauging satisfaction with OSS services, but OSS management lacks routine surveying of OSS customers to identify areas of concern. Satisfaction with OSS services is mixed and shows a continued need for improvement. Available information indicates that satisfaction with OSS is low but increasing in some areas. Also, OSS has not achieved timeliness targets for plan reviews, although inspection timeliness has been improving. Feedback from customers with experience at OSS indicates that they are not very satisfied and are not getting what they need. The effects of low customer satisfaction with OSS services include difficulty in complying with the Code, more burden on staff with increased interactions with dissatisfied customers, and more customer and neighborhood escalations to high-level City officials. However, OSS has several customer service improvement efforts in place or underway. Our research on audits of other entities indicated that the implementation of the One Stop Shop concept is a continuing evolution, and that the issues and challenges facing Austin's OSS are similar to those of other entities. Best practices research offers further information on how to work toward continued improvement in customer service.

Customer satisfaction with OSS involves multiple issues including the LDC itself, information provided on the LDC and processes to comply with it, and treatment by City staff. Satisfaction hinges on three separate things: the actual Code and its complexity, OSS processes, and service from OSS staff. It is important to distinguish between customer dissatisfaction with the Code itself and dissatisfaction with City process or staff. Customers should receive high quality service and accurate information from City staff. Customers should also be satisfied with their experience working with the City. However, the challenge is that an inherent tension exists in any regulatory function. Compliance with the LDC entails tension between developers or property owners seeking to develop properties and neighborhoods desiring to minimize the impact of development. Inherent tension also exists between achieving customer satisfaction and enforcing the Code. As a result, some level of complaints and conflict are a natural occurrence. Some customers may complain because they are frustrated with the Code, not with staff. Even though staff may work to minimize this frustration, some dissatisfaction may occur and needs to be managed by OSS.

The City and OSS have some mechanisms for gauging satisfaction with OSS services, OSS has not conducted routine surveys of customer satisfaction. To ensure that OSS management has information on customer needs, routine mechanisms should be in place to learn about customer needs and satisfaction. However, OSS does not regularly assess customer satisfaction with development services. The City of Austin conducts an annual citizen survey that covers some aspects of satisfaction with OSS. In addition, the OSS LUR division conducted customer focus groups in July 2005 and July 2007. Also, citizen inquiries of the City Council or the City Manager's Office (CMO) with complaints, suggestions, or questions about City issues are routed to departments for

resolution as Customer Assistance Forms (CAFs). These CAFs are monitored for resolution by the CMO. At times, applicants or other interested parties may contact the OSS director to complain or intervene on a case. The director assigns complaints to appropriate staff for resolution and ensures that follow-up occurs. However, OSS does not consistently track complaints that come to the OSS director. Such tracking and periodic monitoring could help to ensure consistency in dealing with these complaints and provide feedback to target problematic areas for staff. Also, routine customer satisfaction surveying can be used to track specific and common issues of dissatisfaction so that improvements can be identified. To this end, LUR is developing a customer “rate-your-satisfaction” questionnaire.

Available information indicates that satisfaction with OSS is low but increasing in some areas. According to the City’s annual citizen survey, overall satisfaction with Review, Permitting, and Inspection has been low, but it has been improving in some areas. See Exhibit 7 for citizen satisfaction with OSS services for 2003 to 2007. As the exhibit shows, satisfaction with LUR, Commercial Review, and Permit services has increased since 2003, while satisfaction with Residential Review and Building Inspections has decreased.

EXHIBIT 7
OSS Customer Satisfaction Ratings in the City’s Citizen Survey

Comparison between 2003 and 2007 Citizen Survey Results						
Service / User Satisfaction	2003	2004	2005	2006	2007	2003 - 2007 Compared
Review Services for Land Development Applications (LUR)	21%	18%	20%	18%	29%	Increase in satisfaction
Review Services for Residential Building Plans	35%	25%	22%	25%	30%	Decrease in satisfaction
Review Services for Commercial Building Plans	23%	19%	17%	20%	24%	Slight increase in satisfaction
Building Permit Services for New Construction and Remodeling	28%	27%	30%	26%	39%	Increase in satisfaction
Inspection of Newly-Constructed Buildings	38%	41%	33%	42%	34%	Decrease in satisfaction

SOURCE: OCA Analysis of City of Austin Voice of the Customer Survey Results, 2003-2007 (Unaudited data). Percentages above reflect the percentage of respondents rating their satisfaction as somewhat high or very high. No 2008 data are available, because the City was in the process of redesigning the citizen survey process. A new Citizen survey in 2009 only had one question relating to satisfaction with OSS development services and showed that 42% of respondents were satisfied (30%) or very satisfied (12%) with customer services related to residential and commercial building plans.

OSS has not achieved timeliness targets for plan reviews, although inspection timeliness has been improving. An important indicator of customer service is the ability of OSS to meet its established turnaround times for plan reviews and inspections. These are key indicators for OSS. However, OSS has not been achieving these timeliness

targets (see Exhibit 8). In FY08 and recent years, some OSS divisions has not met some timeliness targets, including targets for subdivision and site plan initial reviews, new residential reviews, and commercial building plan reviews. The need to reexamine established turnaround times is discussed later in this report. However, these results can influence customer satisfaction levels.

EXHIBIT 8
OSS Key Indicators on Timeliness Performance Results

Key Indicators for OSS	FY05 Act	FY06 Act	FY07 Act	FY08 Bud	FY08 Act	FY09 Bud	FY09 YTD Act June 2009
Percent of on-time* subdivision and site plan initial reviews	97%	91%	46%	90%	54%	70%	81%
Percent of on-time* initial new residential reviews	54%	29%	66%	75%	69%	70%	79%
Percent of initial commercial building plan reviews completed within Land Development Code mandated time of 21 days	90%	65%	63%	90%	70%	90%	71%
Percent of building inspections performed within 24 hours	86%	90%	93%	95%	96%	95%	95%

SOURCE: OCA Analysis of performance information on City of Austin website and interim FY09 performance information from OSS management. (Unaudited)

* Review times for various types of reviews are specified in the LDC. For example, review time for a final subdivision plat is 28 days, while review time for an update is 14 days.

Feedback during this audit from customers with experience at OSS indicates that they are not very satisfied and are not getting what they need. Feedback from customers during this audit indicates that customers may appreciate the hard work of staff, but get frustrated with issues such as Code inconsistency, wait times, staff unresponsiveness, and difficulty in navigating the Code. Customers may also have difficulties if they receive one answer from one person and another answer from someone else. In addition, some customers are afraid to offer criticism for fear of the repercussions from OSS staff. Some customers feel that some staff treat developers as adversaries, with a lack of trust between staff and customer. According to Permit Center staff, customers also complain about the number of times they have to sign in at a front desk and wait to see someone. When Permit Center staff find a review error, they send customers back to the reviewers. The applicant then has to sign in again at the reviewer front desk and wait again, and then come back to the permit center and sign in again, and wait again. After waiting in line to obtain permit approvals, customers also have to wait in line again at the cashier's desk to pay for their permits. Customers who can not leave work during the day also reported difficulty with not being able to drop off plans for review during non-business hours.

As discussed earlier, complaints made to Council or the City Manager's Office (CMO) are tracked through Customer Assistance Forms (CAFs). Our review of FY08 CAFs showed that complaints include issues such as difficulty in navigating the Code and OSS

processes, problems with staff timeliness and responsiveness, difficulty obtaining necessary information from staff, Code enforcement issues, and complaints about customer service. However, few instances of Code interpretation issues are evident in CAF complaints. Citizens also offered two recommendations to the City for improvement, via CAFs: 1) the need for a City Ombudsperson to help customers and citizens navigate the OSS process, and 2) the need for a mechanism for customer feedback and performance evaluation.

Causes for limited customer satisfaction may include lack of staff resources. Staff and management report that they have been overburdened and have not been able to commit the time necessary to build these outreach efforts. Potential effects of low customer satisfaction with OSS services include difficulty in complying with the Code, more burden on staff in increased interactions with unsatisfied customers who do not feel as though they are integrated into the process, and more customer and neighborhood escalations to high-level City officials.

OSS has several customer service improvement efforts in place or underway. As mentioned earlier, OSS management has recently created the position of Development Process Liaison to handle customer complaints. This will improve their ability to track and respond to complaints. In LUR, management and staff have been utilizing information received in Customer Focus Groups in 2005 and 2007 to craft changes for OSS improvement based on customer feedback. These improvements were tracked through December 2007 by each division in a spreadsheet. Many efforts were made in response to the customer focus groups, but in some cases the bare minimum was done or the improvement has not been funded. LUR is also currently working on a customer bill of rights based on a best-practice model, as well as an exit survey of customers to pinpoint common issues. In addition, LUR staff are creating summaries of the most common reasons for plan failure during review, to aid customers in avoiding these common mistakes.

The Building Inspections division tracks the resolution of customer complaints. Building Inspections has made two other recent efforts to improve customer service: 1) They added one administrative position to provide support to the inspection staff; and 2) They created a residential customer service support staff position that only receives calls pertaining to McMansion and other residential inspections issues. This staff member works on special projects that require more attention and also interacts with Residential Review on issues and questions to resolve problems. This has improved both the consistency between the plan review and inspection divisions and also customer service.

Our research of audits of other entities indicated that the implementation of the One Stop Shop concept is a continuing evolution, and that that the issues and challenges facing Austin's OSS are similar to those faced by other entities. During this audit, we examined audits of similar entities, and we found that the issues facing Austin's OSS are not unique. These issues are not necessarily solved in the first pass of consolidating processes into a One Stop Shop, so they require continued monitoring and vigilance in addressing implementation details. We noted numerous examples where OSS

management has made efforts to continue improving operations, despite the challenges facing the organization in recent years, and these efforts are continuing.

Some findings and issues identified in audits of other similar entities that could be relevant for Austin's OSS included the need for turnaround time improvement, customer surveys, and performance measurement; the need to address delays in achieving technological capabilities such as electronic filing and payment processing; and the need to improve the quality of website information and clearly communicate applicant responsibilities. Other issues included the need for checklists, guidelines, supervision, training, quality assurance, and adequate staffing; and the use of interagency agreements, single points of contact for projects, and review committees to ensure cross-departmental coordination. See Appendix G for additional details on findings identified in audits of other OSS-type entities which reflect challenges similar to those faced by Austin's OSS.

Best practices research offers further information on how to work toward continued improvement in customer service. During this audit, we reviewed a study on development best practices published in June 2008 by the University of North Carolina. The study offers several ideas for process improvement that could be helpful to Austin's OSS, particularly in the following areas:

- Customer Focus: customer surveys and customer studies, customer ombudsperson and advocate, exit interviews with customers, customer first approach
- Public Education: public outreach and training sessions, educational materials on website
- Process Manager: staff person focused entirely on managing and improving the process
- Case Manager: single point of contact during the process
- Audits: internal project audits, annual audits of selected aspects of the development process, re-evaluation of overall process every few years
- IT Support: IT support staff based within the department and committed to development review, electronic document submission
- Fees: developers willing to pay more for aggressive service targets, and next-day and after-hours inspections for a special fee

We shared these best practice suggestions with management during this audit, and they have been working to implement a number of them. The key practice in the list above that OSS management is not working on implementing is the case manager role. This role would be a customer liaison role for each case, not involved in the technical details of case review, but available to help resolve issues and ensure timeliness. Management indicated that Austin tried using this role in the past but was not successful because of a lack of resources. The recently-established Development Process Liaison may address some of these needs.

Recommendations:

15. To ensure that OSS has information on customer satisfaction, OSS management should institute a customer survey for all participants in the OSS process that is accessible on the website. The results of these surveys should be incorporated into monthly management performance assessments.

MANAGEMENT RESPONSE: Concur

Survey questions will be identified to measure customer satisfaction levels throughout the development process. Surveys will be available on the City's OSS Web site. Consideration will also be given to a proactive approach such as a follow up e-mail surveys to customers at the completion of selected projects. Periodic reviews of these surveys will be done by management.

16. To ensure a customer service focus at OSS, OSS management should define the work of the customer Development Process Liaison to ensure that this position is evaluating and responding to the needs of customers to provide answers and facilitate solutions.

MANAGEMENT RESPONSE: Concur

A tracking system is already in place. The Development Process Liaison's role will continue to be refined as the number and type of inquires are processed.

17. To provide more accessibility for residential customers, OSS management should consider providing evening hours with limited staffing for Residential Review one day a week to allow customers who can not leave work during the day to submit plans.

MANAGEMENT RESPONSE: Do Not Concur

COMMENT: Due to building security concerns and other associated costs, this is not considered feasible at this time. However, the electronic plan submittal system will provide 24/7 access for the customer when implemented. This is a planned initiative that is just getting underway by CTM. Paul Cook, 974-1473 is leading the early efforts. No definitive implementation date has been identified, but a 2013 target is noted herein for preliminary purposes.

18. To further improve Austin's OSS, OSS management should review and consider implementing best practice approaches in place in other cities.

MANAGEMENT RESPONSE: Concur

Develop a team to determine potential applicability of various comparable cities' practices. Also, include a review of data provided by the audit. Include opportunities for stakeholder input.

OSS management should support staff effectiveness by managing workload and staffing issues and by balancing timeliness and quality.

OSS staff are the front-line source for development information, plan review, permits, and inspections for applicants and citizens in order to ensure compliance with the Code. They interact with customers on a daily basis and act as the face of the City in the development process. As discussed earlier, to serve customers effectively and ensure compliance with the Code, staff need effective training and up-to-date tools, along with appropriate supervisory review. In addition, they need adequate staffing levels, realistic workload, appropriate performance measures, appropriate and equitable job descriptions and career paths, and suitable reward and recognition. At the same time, management indicated that the stress level of employees involved in review and inspection may tend to be higher than employees assigned to some other functions because of intense stakeholder conflict.

OSS staff that we surveyed during this audit rated workload, staffing levels and timeliness pressure as areas of concern. Staffing levels at OSS are constrained and need to be reevaluated to ensure an effective land development compliance function and to ensure Austin's readiness to support an economic recovery. As of May 2009, OSS staff vacancy rate was 14 percent. Additionally, some OSS divisions have not been meeting timeliness targets, and management has not proposed adjustments to established turnaround times to reflect increased requirements and complexity of the Code. To ensure quality and consistency in development services workload should be manageable. Potential effects of increased workload include low morale and dissatisfaction, inability to meet performance targets, inability to retain experienced staff, and decreased ability to ensure compliance with the Code. Furthermore, existing performance measures do not reflect aspects of performance such as quality and customer satisfaction, to provide balance for existing measures of timeliness and workload.

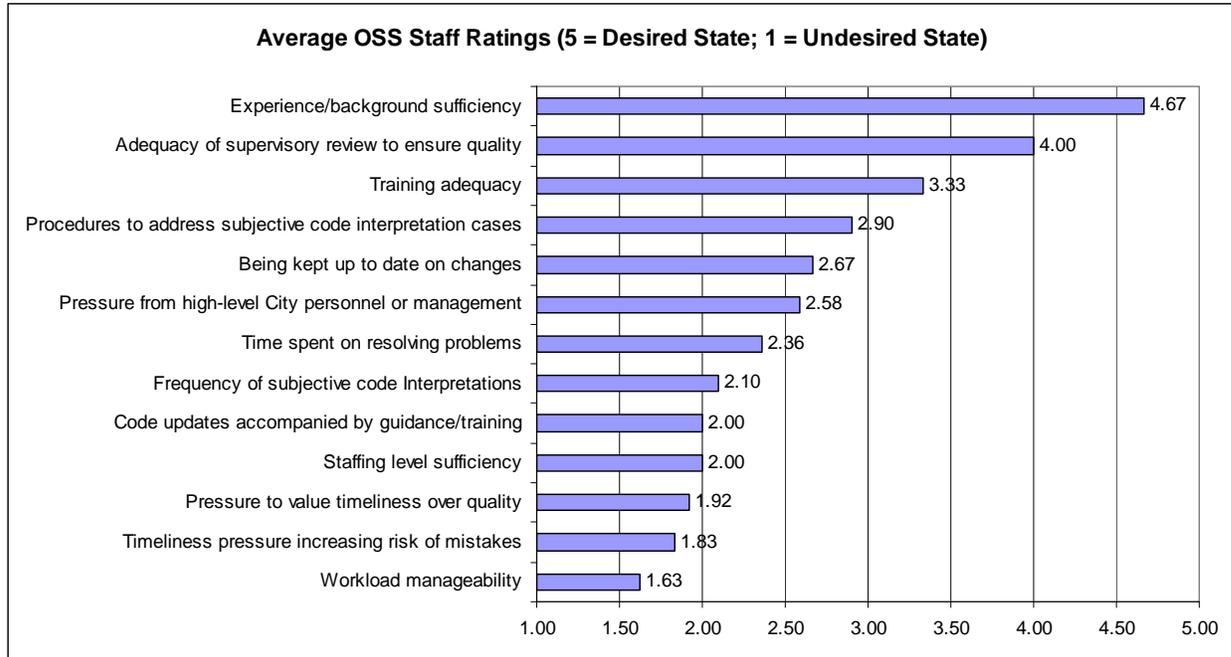
During this audit, a sample of OSS staff rated workload, staffing levels, and timeliness pressure as the areas of their greatest concern. As part of our interviews with staff during this audit, we asked staff to rate a number of issues that impact their effectiveness. Staff rated these issues on a scale of 1-5, with 5 being the desired state and 1 being the undesired state, as reflected in descriptions along that scale for each dimension rated. See Exhibit 9 for ratings on these dimensions, and see Appendix E for survey questions and the rating scale for each question.

- The lowest-rated areas indicating undesirable conditions were with the manageability of workload, sufficiency of staffing levels, pressure to value timeliness over quality, timeliness pressure increasing the risk of mistakes, frequency of subjective Code interpretations, being kept up-to-date on changes, and having Code updates accompanied by guidance and training.
- The highest-rated areas (closer to desired state) were with the adequacy of staff experience and background, supervisory review to ensure quality, and training.

Our interviews and survey ratings only covered a limited cross-section of staff and did not cover all staff in any one division or staff in the inspection divisions. However, the

Building Inspections division manager was given an opportunity to review the average ratings of other divisions and indicated that the ratings seemed fairly representative of Building Inspections staff as well. We did not obtain ratings or input from Site/Subdivision Inspection (SSI). The SSI division manager indicated that issues affecting other divisions do not affect SSI as much, because the SSI division is not affected by changing LDC requirements to the same degree as other divisions.

EXHIBIT 9
Average OSS Staff Ratings on Issues Affecting Staff Effectiveness
(Limited sample from DAC, LUR, CR, RR, Permit Center)



SOURCE: OCA analysis of staff ratings in DAC, LUR, Commercial Review, Residential Review, and Permit Center. Note: See Appendix E for actual survey rating questions used.

Staffing levels are constrained and need to be reevaluated to ensure an effective land development compliance function and to ensure Austin’s readiness to support an economic recovery. To ensure a sound development function, OSS should have enough staff to effectively meet service requirements and meet the mission of the program with respect to land development. In addition, our research found that cities need to ensure maintenance of the core workforce in development review, permitting, and inspections during an economic downturn, to be prepared to support an economic rebound. If staff levels in these areas are diminished, then the City could be responsible for delaying the economic recovery by not being prepared to meet the demand for growth. This is because hiring and training new plan reviewers and inspectors can require many months, while new building permit requests stack up. Preserving the core workforce is critical so that architects, building parts suppliers, and construction workers can get back to work as soon as possible.

We reviewed communications from mid-2009 to the City from the local Home Builders Association (HBA) and other local builders emphasizing the current need for sufficient

staffing of plan review, permitting, and inspections to support economic recovery efforts. The HBA raises concerns about staffing levels in OSS plan review and inspections, both for residential and commercial multi-family construction. The HBA indicates that builders are experiencing acute lags in the Austin plan review process and anticipates lags in residential and commercial inspections due to the City's planned staffing cuts. The HBA also indicates that while new home sales are down from 2008, remodels have increased by 45% and are expected to further increase. Also, the HBA reports that many production builders are ramping up home starts in anticipation of demand based on new financing incentives to first-time home buyers as part of the U.S. economic stimulus package. The HBA feels the City should invest in plan review and building inspection to support these efforts. Additionally, a local builder indicated that consistency and quick turnaround in permit reviews are needed currently, to process home completions for families currently waiting for their homes to start, which will help improve the local economy.

In Austin's OSS, staff are strained due to low staff levels, complexity of the Code, vacant positions, and active and sometimes divergent stakeholder interactions.

According to WPDR's FY10 and FY09 business plans, OSS implemented a vacancy management plan as a cost saving strategy, whereby the executive team makes the decision to hold vacancies open on a case by case basis. Workload and trends are considered along with impact on service provision before a decision is made. Due to the relatively long development review process, OSS is only now beginning to see declines in workload from the economic downturn. The vacancy management plan has been carried forward to FY09 and will be utilized in FY10 if necessary. As a result, as positions are left vacant, remaining staff are expected to fill in for positions in which they may not be fully trained. In addition, preliminary information on the FY10 budget indicates OSS will lose fourteen of its vacant positions.

The OSS vacancy rate was 14% overall as of May 2009, with 38 vacant positions and 233.5 filled of a total of 271.5 positions. OSS has continued to operate with a number of vacant positions. In addition to current vacancies in FY09, some OSS divisions have experienced significant turnover during the last three years. See Exhibit 10, with areas of higher turnover from FY06 to FY08 highlighted, along with staff vacancies by OSS division. This turnover increases risk of quality and timeliness problems in these areas. Causes for staff shortages may include pressure Citywide to cut costs in the current economic environment, and limited data with which to compare staffing levels, workload, and turnaround times to those of other entities. This will be discussed further in this report's section on funding and fees.

EXHIBIT 10
One Stop Shop FY06-FY08 Turnover & FY09 Vacancies by Division

One Stop Shop Division	FY06 Turnover	FY07 Turnover	FY08 Turnover	3-Yr. Avg. Turnover FY06 - FY08	FY09 Budgeted FTEs	% Vacant FTEs May 2009
Development Assistance Center	28.6%	13.3%	7.7%	16.5%	14.50	14%
Land Use Review	3.3%	6.8%	10.0%	6.7%	65.00	12%
Commercial Review	0.0%	0.0%	7.1%	2.4%	15.25	13%
Residential Review	36.4%	14.3%	7.7%	19.5%	14.25	14%
Right of Way Management	16.7%	0.0%	8.7%	8.5%	30.00	30%
Permit Center	12.5%	11.1%	10.0%	11.2%	9.25	0%
Building Inspection	6.3%	14.0%	7.3%	9.2%	56.00	18%
Site/Subdivision Inspection	7.8%	10.9%	0.0%	6.2%	59.00	5%
One Stop Shop Support	0.0%	0.0%	13.8%	4.6%	8.25	24%
Average/Total	9.0%	9.2%	6.6%	8.3%	271.50	14%

SOURCE: OCA analysis of data from City Budget documents and Banner HR system (Unaudited data).

NOTE: Cells that are bold and highlighted reflect areas of higher turnover.

Perceptions from staff and management of selected divisions regarding current vacancies and related impacts include:

- The DAC Manager vacancy has been held open for some time as part of the FY08 and FY09 One Stop Shop savings plan. Holding this position vacant has placed an additional burden on the two staff members that have absorbed those managerial duties in addition to their existing job responsibilities. These staff members indicate that there is no available time for acting managers to focus on process improvement.
- Subdivision Review (part of LUR) has a staff shortage, creating pressure on existing staff.
- In Residential Review, turnover has resulted in less experienced staff, contributing to issues with the consistency of code interpretations, and limited staffing levels overall negatively affect the group's ability to coordinate effectively on neighborhood-related issues and on inspections. Also, having only one staff member covering the BOA and several permit reviews increases the risk that turnover or planned or unplanned absences could impact the continuity of services.
- The Building Inspections division is short employees, and the division manager feels that the group is working with less than the bare minimum. The division manager expressed the need for a person over residential inspections that reports directly to him, due to the increased complexity of residential requirements. The division manager reported spending 70% of his time on residential issues, even though the issues are generally not life-safety issues.

Increased requirements and complexity of Code may be impacting OSS ability to meet timeliness goals in some divisions. Turnaround times are established by the LDC, and the amount of time allowed for various types of reviews differs. LUR turnaround times range from 14 to 35 days, depending on the type of plan being reviewed.

Commercial Review, compared with the Residential Review division, has a longer period for reviewing projects. Commercial reviewers have 21 days for regular reviews. Residential reviewers have seven days to review or provide a response for new construction, two days for remodels or same day for walk-ins. Both staff and management indicate that the timeline does not allow residential reviewers to do thorough reviews, especially as requirements have become greater and greater over time. As mentioned earlier in this report, as part of a Residential Review quality initiative, the review times for residential review are being reconsidered to reflect the increased complexity of the review requirements. Management also indicates that staffing levels in other departments, as well as the accuracy of plans submitted, affect OSS ability to achieve timelines requirements.

As discussed earlier in this report, in FY08 and recent years, some OSS divisions did not meet timeliness targets; in FY08, these included Subdivision and Site Plan Initial Reviews, New Residential Reviews, and Commercial Building Plan Reviews (See Exhibit 8, earlier in this report).

- Site and subdivision reviews fell significantly short of LUR's goal of 90% on-time reviews (54% actual).
- The Residential Review section fell short of its goal of 75% of on-time initial new residential reviews (69% actual).
- The Commercial Review section did not meet its performance goal of 90% of initial commercial building plan reviews completed within LDC mandated time of 21 days (70% actual).

In FY09, as workload has declined with the economic downturn, timeliness has improved.

OSS has not met turnaround times required by the LDC, and OSS management has not proposed adjustments to turnaround time requirements to reflect increased complexity of the Code. Local and state codes mandate review times, but these review times should be realistic in terms of staff capacity and intended outcomes and should be revisited periodically as requirements change. Increased complexity of the Code has increased the challenge to staff to complete thorough reviews and respond to customer issues within established review times. Causes for turnaround times not being updated may include the amount of change in the LDC and inadequate consideration of the work impact of new ordinances on OSS functions. As a result, workload and timeliness pressures increase the risk of staff error and reduced customer service. Allowed review times should be reexamined in light of increased requirements and complexity of the Code.

Most of the staff interviewed by OCA did not believe that staffing levels were adequate to meet required turnaround times while still providing thorough assistance. Most of the staff interviewed by OCA felt pressure to value timeliness over quality and thought that pressure to meet timeliness requirements increased the risk of mistakes. Management indicates that budgetary restraints have limited the number of trained staff relative to the number of applications, and this has had a direct impact on review time and quality. Management has sought to improve efficiency through technology but indicates that

additional staff and intense training are needed to ensure that quality initiatives are addressed during peak market conditions.

To ensure quality and consistency in development services, workload should be manageable. At the same time as Code complexity was increasing, workload volume increased in several core areas of OSS from FY07 to FY08. Staff indicated during this audit that workload has not decreased significantly with the FY09 economic downturn, both because staffing levels have decreased and because increasingly complex requirements have increased the time needed to perform thorough reviews. For example, the economic downturn has not had a significant impact on workload at DAC, because Code Enforcement actively refers individuals to DAC to determine what is needed to bring noncompliant construction into compliance, and DAC also serves a large number of remodeling customers. Commercial Review has seen intake level decrease with the economic downturn, but staff levels have also decreased and workload is still perceived very challenging.

See Exhibit 11 with OSS workload trends for FY05 to FY09.

**EXHIBIT 11
Workload Trends in OSS Divisions, FY05-FY09**

Workload Indicators for OSS	FY05 Act	FY06 Act	FY07 Act	FY08 Bud	FY08 Act	FY09 Bud	FY09 YTD Act Jun'09
Number of Customers Served - DAC	23,421	20,702	23,534	23,000	30,447	30,700	19,560
Number of combined subdivision and site plan initial reviews - LUR	901	836	980	919	965	950	563
Number of new commercial construction applications reviewed - Comm. Bldg Plan Review	444	554	521	750	583	500	340
Number of total applications reviewed-Residential Review	9,841	10,562	10,148	10,570	6,227	11,000	5,303
Number of permits issued - Permit center	82,439	98,827	75,078	106,000	111,735	106,100	66,417
Number of inspections performed - Building Inspection	177,909	207,389	213,799	224,000	226,841	224,000	130,735

SOURCE: OCA Analysis of performance information on City of Austin website and interim FY09 performance information from OSS management. (Unaudited)

At the same time, staffing levels have not fully kept pace, increasing in some divisions, but decreasing or remaining relatively flat in others. See Exhibit 12.

EXHIBIT 12
Budgeted FTEs in OSS Divisions FY05 – FY09

Division	FY05	FY06	FY07	FY08	FY09
Development Assistance Center	18.75	18.50	15.50	15.50	14.50
Land Use Review	62.25	64.00	66.00	63.00	65.00
Commercial Review	12.25	12.50	14.50	15.25	15.25
Residential Review	10.00	11.00	14.00	14.25	14.25
Right of Way Management	13.65	13.00	15.00	17.00	30.00
Permit Center	8.25	8.50	8.50	9.25	9.25
Building Inspection	47.00	47.00	51.00	56.00	56.00
Site/Subdivision Inspection	51.35	53.00	54.00	62.00	59.00
One Stop Shop Support	11.50	10.50	9.50	9.25	8.25
Total	235.00	238.00	248.00	261.50	271.50

SOURCE: OCA summary of FTE information in City budget documents. (Unaudited)

As a result, annual workload per FTE has increased in some divisions, while at the same time Code complexity has increased. In our analysis of workload per FTE using estimated actual FTE data (reflecting filled positions) by year for FY05 through June of FY09 (see Exhibit 13), we found that:

- Workload per FTE increased significantly for DAC and Commercial Review from FY05 to FY08;
- Workload per FTE decreased for Residential Review from FY05 to FY08; and
- Workload per FTE was relatively flat from FY05 to FY08 for LUR, Permit Center, and Building Inspections, except for a reduction in Permits per FTE in FY07.
- Workload per FTE has declined in FY09 from FY08 levels in all divisions except Residential Review. In Residential Review, workload per FTE has increased over FY08.

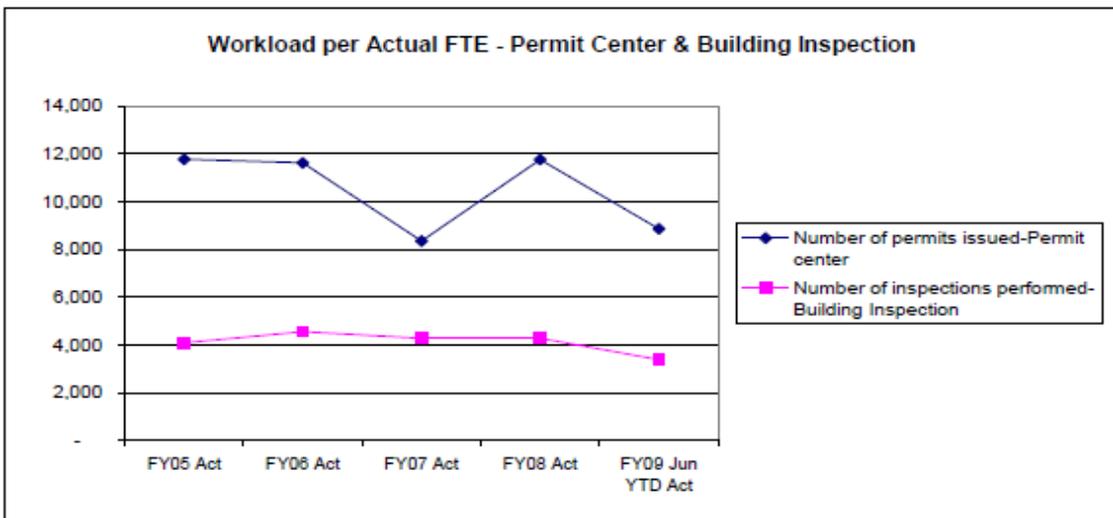
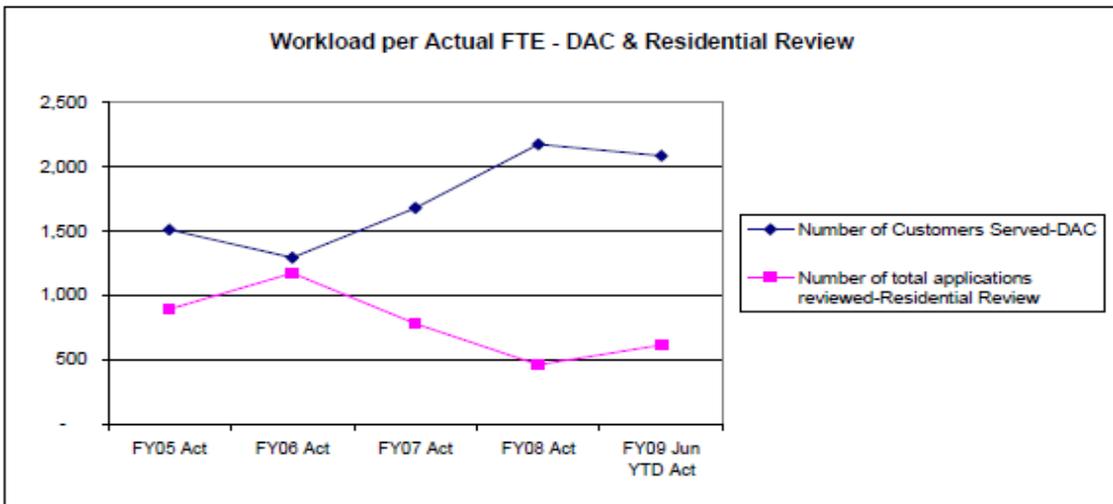
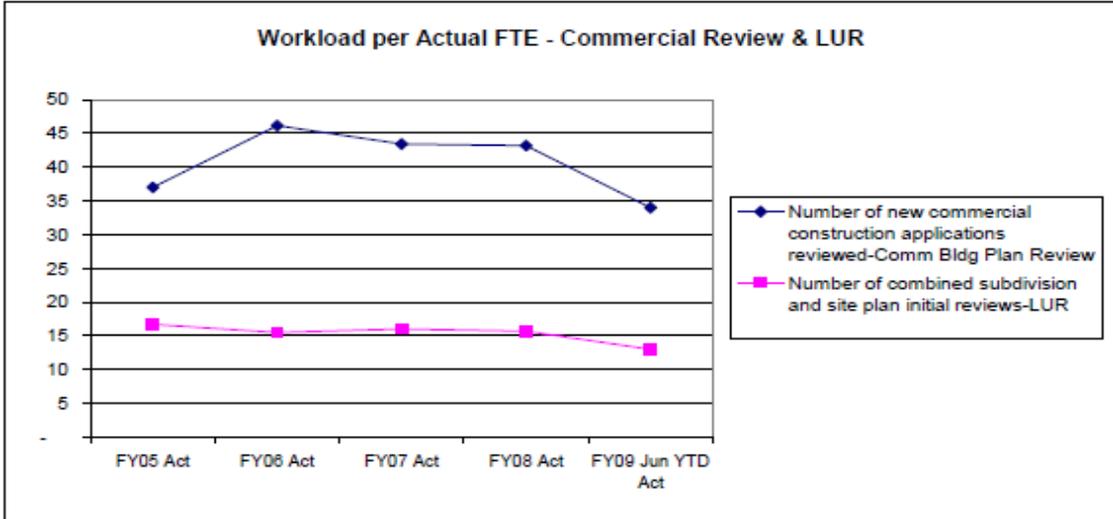
The workload measures in this analysis represent key output measures for each division from the City budget. This analysis is not comprehensive enough to speak definitively on all workload handled by these divisions. There are other workload indicators for OSS besides the ones included in Exhibits 11 and 13 that were not included in our analysis. These indicators include, for example,

- DAC: Site plan exemptions and site plan corrections reviewed, and documents reproduced and distributed;
- LUR: SMART Housing Certificates issued, Barton Springs Zone (BSZ) operating permits issued;
- Commercial Review: Walk-in customers served, commercial remodel application reviews, commercial sign/banner application reviews, outdoor music venue ordinance notifications, and other detailed reviews or coordination processes associated with commercial building plan reviews; and
- Residential Review: Walk-in customers served, Board of Adjustment cases reviewed, and billboard relocation applications processed.

A full consideration of all sources of workload for OSS staff would need to be included in an assessment of necessary staffing levels to manage this workload effectively.

EXHIBIT 13

Annual Workload per FTE for OSS Divisions for FY05 through June of FY09



SOURCE: OCA analysis of workload data from City budget documents and interim FY09 performance information from WPDR and actual FTE data from HRD (not shown). (Unaudited)

Potential effects of increased workload cited by OSS staff include low morale and dissatisfaction due to stress and being overworked, not meeting performance targets, turnover, inability to retain experienced staff, loss of institutional memory, and decreased ability to ensure compliance with Code. According to interviews during this audit, staff indicated that morale is a significant issue and that they need more support. In general, OSS staff we interviewed felt as though they have needed time to catch-up on all the ordinances, while still doing their work.

Existing performance measures are not balanced to reflect certain aspects of performance including quality and satisfaction. Performance measures should be balanced to reflect various aspects of performance including quality and satisfaction, as well as timeliness and workload. Several performance measures of OSS track timeliness requirements, which are defined by the LDC. Staff input indicates that these timeliness requirements have become the priority during the development review and inspection process at the cost of a thorough and quality review. Pressure to meet these requirements increases the risk of staff mistakes.

As previously mentioned, OSS management does not currently track any performance measures related to customer service, nor do they have any measures of quality. Current measures primarily reflect workload and timeliness requirements. As a result, timeliness has been made the priority over quality and customer service, which may result in sacrificing quality to meet deadlines. A consistent theme from staff has been a reluctance to spend more time to perform a more thorough review or answer customer questions, when they are being evaluated on timeliness alone. A more balanced set of performance measures that includes customer service and quality would help bring increased attention to quality and customer service.

Recommendations:

19. In order to establish realistic targets for plan review, OSS management should evaluate timeliness requirements to determine how much time it should take to complete a thorough review given increased Code requirements; and proposed performance measures should be updated accordingly.

MANAGEMENT RESPONSE: Concur

Establish a team to study each area where this is needed. Depending on the results from this evaluation, adjustments to performance measures will be considered.

20. In order ensure proper Code compliance and the City's ability to support economic recovery, OSS management should ensure that staffing needs are evaluated in each division to determine sufficient staffing levels both in the current environment and when the economy begins to recover.

MANAGEMENT RESPONSE: Concur

This is evaluated during each business plan and budget forecasting cycle. Business plans will be updated and strategies developed as appropriate. The Budget Office, and ultimately Council, determines staffing levels.

21. In order to provide a balanced focus on various aspects of performance of OSS operations, OSS management should establish performance measures for quality and customer service in addition to workload and timeliness measures.

MANAGEMENT RESPONSE: Concur

Utilizing the planned customer satisfactions surveys (item # 15), to develop qualitative performance measures for inclusion in the next available budget cycle. Land Use Review (LUR) has developed a draft customer service survey and is working on quality measures.

OSS management should make further efforts to improve morale and retain experienced staff to contribute to the ongoing effectiveness of the development function.

Staff retention is an issue at OSS due to high turnover in some areas as well as the growing retirement eligibility of some staff. Although WPDR has a well-defined employee award and recognition program with multiple elements in place, some staff do not feel as though they receive adequate recognition and we found some indications that morale is low at OSS. We also received input on staff concerns of inequity and inconsistency in job descriptions and career ladders within some groups at OSS. OSS management has made some efforts to obtain input from employees to improve performance and morale and have been working to implement suggestions for improvement.

We found that staff retention is a significant issue at OSS due to high turnover in some areas as well as the growing retirement eligibility of some staff. To ensure effective service delivery, it is important that OSS retain experienced and qualified staff. Staff should have sufficient experience to be able to interpret the LDC correctly. Management has indicated that approximately five years of experience are needed to be able to deal with the complexities of the LDC, although this time may vary based on individual differences. We found that staff retention is a significant issue at OSS due to high turnover in some areas as well as the growing retirement eligibility of some staff. (See Exhibit 9 showing turnover by division, earlier in this report.) This is significant for OSS because it relies heavily on institutional knowledge for job functions. During FY10 Business Plan discussions, staff identified one of the top five issues of concern as work force issues including employee retention and training for succession. Even customers have noted that efforts are needed to retain knowledgeable staff, in order to facilitate customer service and ease of moving through the development process. Vacancy management combined with reliance on institutional knowledge could become a problem for OSS because it may create a gap between the departing experienced staff and new staff, resulting in scarce opportunity for knowledge transfer. Staff turnover and growing retirement eligibility of staff are issues for several groups at OSS.

Although OSS staff and management rely strongly on institutional knowledge, customer and staff input during this audit indicates a perception that there are few efforts to retain experienced staff. When asked about additional efforts intended to retain experienced staff, the WPDR Director noted that Austin Energy used a consultant to create a succession program, and WDPR Director would like to use that program for a model, although details including a timeline for implementation were not yet available.

Although WPDR has a well-defined employee award and recognition program with multiple elements in place, some staff do not feel as though they receive adequate recognition. We found that the WPDR Award & Recognition Program has a variety of initiatives to honor staff including several types of awards, as well as department gatherings and activities. There is an Award and Recognition Committee, composed of representatives from each of the department's divisions and sections, and a liaison from

the Office of the Director. The awards program at WPDR includes awards from the director, supervisor to employee awards, and employee to employee awards.

However, WPDR's Human Resources Manager acknowledged that the City's annual Listening to the Workforce survey showed that only about half of WPDR staff were satisfied with the current program. Our review of the 2009 workforce survey also showed that OSS employee ratings were significantly lower than employee ratings Citywide and for WPDR as a whole, in terms of the department recognition program's effectiveness in recognizing good work, making employees feel appreciated, and rewarding people and behaviors that deserve to be rewarded. These results indicate the need to continue to strengthen recognition efforts for OSS staff.

We received input on staff concerns of inequity and inconsistency in job descriptions and titles within some groups at OSS. This audit found some indications of inequity and inconsistency in job descriptions within some groups at OSS, which may affect not only morale, but also staff ability to meet the requirements and complexity of the job. In summary, we received input from LUR, Commercial Review, Residential Review, and Building Inspections regarding issues with job descriptions, titles, pay grades, and career paths. Specific concerns indicated by these divisions included:

- LUR Environmental Review – Management identified the need to make positions more equitable to other similar positions in terms of exempt vs. nonexempt status of the positions.
- Commercial Review – Management and staff identified the need to update job descriptions to reflect the complexity of the job, and the need to clarify the career ladder to provide more consistency with other divisions. Potential inequities in this area have led to staff concern that the current system is unsustainable and is having performance impacts that could significantly affect the department overall.
- Residential Review – Management and staff identified the need to update job descriptions to reflect the increased complexity of the job, and possibly to increase experience requirements.
- Building Inspections – Management identified the need to approve the career ladder, along with pay for performance incentives for professional certifications.

We did not assess the appropriateness of the job descriptions, titles, pay grades, or career ladders themselves during the course of this audit, although we reviewed communication on efforts that have been made to make progress in these areas. Some causes for delay in resolving these issues include financial conditions in the City and the City's decision to put market studies on hold. Discussions were still underway on these issues as of the time of this report. However, to the extent that these issues are affecting staff negatively or impacting OSS ability to retain experienced staff, further attention is warranted in order to achieve a satisfactory resolution for those involved.

OSS management should make further efforts to improve morale. We found some indications that morale is low at OSS, which may impact effective service delivery. Our review of the City's Listening to the Workforce survey results for 2009 showed that OSS employee satisfaction was generally lower than that of employees Citywide and WPDR

employees department-wide. Specifically, OSS employee ratings were significantly lower than employees ratings Citywide and for WPDR as a whole on issues such as overall job satisfaction, satisfaction with pay, fairness of pay decisions, reward and recognition efforts, training, and career development opportunities. These results indicate the need to give greater attention to strengthening employee morale in OSS. OSS staff input during this audit indicated that human resources issues such as job descriptions and reward and recognition are important issues needing attention to support staff retention and morale and to ensure an effective function.

OSS management has made some efforts to obtain input from employees to improve performance and morale and have been working to implement suggestions for improvement. OSS has made some efforts to obtain input from employees on what they need to provide effective services. For example, WPDR has surveyed staff to gauge the level of satisfaction with the employee award and recognition program. It is important that WPDR continue to use this employee feedback and explore ways to make the program more meaningful to employees and recognize the challenges they face on a daily basis. In addition, in the LUR division, management conducted a staff retreat in 2007 to solicit staff input on issues and recommendations for improvement. In the retreat, LUR staff identified issues with consistency in Code interpretation, staff training, and management support of staff as it relates to reversed staff decisions. Staff made several recommendations, including increased use of the shared network drive for Code interpretation guidance, and having management working with and through staff in addressing customer Code interpretation questions to provide a united front in ensuring Code compliance. LUR has been working since then to implement staff suggestions for improvement.

Recommendations:

22. In order to improve retention and ensure succession strategies are in place for expected retirements or turnover that may occur, OSS management needs to increase attention to employee retention efforts. Implementing AE's succession plan or creating a similar plan should be further evaluated toward this end.

MANAGEMENT RESPONSE: Concur

Review Austin Energy's comprehensive succession plan for possible adoption. Individual training is currently being conducted to mentor staff.

23. In order to reflect increased complexity of the job and to ensure equity among staff, OSS management and the department's Human Resources manager should work with the City's Human Resources department to evaluate and update job descriptions, job titles, and job requirements for OSS divisions, as appropriate.

MANAGEMENT RESPONSE: Partially Concur

- a. Due to the premature ending of the Market Study, revisions of job descriptions were not completed. Department HR staff will review job descriptions on "as needed" basis for specific positions that have been identified (Intake, Environmental Review) to determine need for revision.

- b. Paperwork for the study of exempt vs. non-exempt classification of environmental reviewers was submitted to HRD.
 - c. Career ladder for Commercial Review was explored with WPD/HR and HRD, and the current ladder was deemed sufficient.
 - d. Residential Review has identified the need to revise the experience and qualifications required for its positions and will be further evaluated.
 - e. Career progression for Site Plan, Subdivision, Environmental and Building Inspections has been developed and submitted to HRD for approval.
-

24. In order to ensure that staff concerns and issues are identified and addressed, OSS management should expand processes such as the staff retreat conducted by LUR.

MANAGEMENT RESPONSE: Concur

A working team will be established to identify specific problem areas, propose potential solutions and develop a plan for implementation.

25. To help improve staff morale, OSS management should explore ways of providing recognition that would be meaningful to employees.

MANAGEMENT RESPONSE: Concur

There is an Award and Recognition Committee comprised of employees from each division that meets regularly to plan and implement recognition programs throughout the year. However OSS does not have control over funding. Surveys are conducted yearly to gauge effectiveness.

Resources, funding, fees, and fee waivers directly or indirectly affect OSS ability to respond to the increased complexity of LDC compliance.

Management's ability to respond to many of the issues raised in this report has been challenged by funding limitations in the current environment. Although some funding is provided by the drainage utility, WPDR's portion of OSS relies primarily on the City's General Fund for its funding. Other departments involved in OSS also fund their own OSS functions through various sources, such as the AWU water and wastewater funds and the Austin Energy fund. Fees collected by WPDR for OSS services such as plan review, permitting, and inspection, are transferred as revenue to the City's General Fund, covering a portion of the cost of OSS operations. However, management's ability to secure sufficient funding to address performance and capacity issues has been constrained by fee limitations and funding limitations from the General Fund. In multiple years' business plans, OSS has identified issues of non-achievement of performance measures related to Code-mandated turnaround times, along with a vacancy management strategy of keeping positions open to conserve resources due to funding limitations Citywide. Staffing and funding levels for OSS may be currently insufficient given the complexity of the activities required to ensure compliance with the Code. Available data on staffing levels compared to other entities is limited but indicates Austin's OSS has fewer staff than similar entities. WPDR has done a study of OSS funding structure and fees and found that fees are significantly lower than those of other cities and do not cover the cost of services. Fee waivers also indirectly affect OSS ability to respond to current challenges by reducing available funding in the General Fund; further assessment of the impact of these waivers is needed.

Available benchmarking data indicates Austin's OSS has more workload than most reporting entities. During this audit, we sought to examine staffing and workload of other entities compared to Austin at a high level using FY07 and FY08 data from the International City/County Managers' Association (ICMA). We were only able to reach limited conclusions from limited data available, because not all data elements were available for all cities. Our analysis of ICMA data showed that Austin has more permits per staff person and more inspections per staff person per day than most reporting entities. Additionally, Austin completes more plan reviews than most reporting entities, but ICMA does not collect associated staffing information for reviews. High-level observations based on analysis of ICMA data are shown in Exhibit 14.

EXHIBIT 14

Analysis of FY07 & FY08 ICMA Data on Development Functions in Comparable Cities

Plan Reviews

- Austin performed more plan reviews than all comparable reporting cities except Miami-Dade County in both FY07 and FY08.
- Austin had a comparable number of plan reviews with Fort Worth (closest in size to Austin) and Phoenix (over twice the size of Austin) in FY07, and more than Phoenix in FY08.
- Austin had a lower average number of calendar days per review than all jurisdictions with data, for both FY07 and FY08.
- Austin performed significantly more plan reviews per population than Portland or Dallas, but slightly less than Fort Worth in FY07; and more than all jurisdictions with data except Miami-Dade County in FY08.

Permits

- Austin had significantly more permits issued than any other jurisdiction, even larger ones, for both FY07 and FY08.
- Austin had significantly fewer permit employees than any other jurisdiction, even larger ones, for both FY07 and FY08.
- Austin reported 100% of over-the-counter permits issued the same day in FY07 and 84% in FY08, higher than any other city.
- Austin may not track % of permits completed within 14 calendar days, which appears to be a standard tracked by other jurisdictions.

Inspections

- Austin's average number of inspections per day per FTE was higher than all jurisdictions in FY08, and higher than all jurisdictions except Portland and Miami Dade in FY07.
- Austin's % of Inspections Completed on Time was higher than that all jurisdictions in FY08, and in FY07 was comparable to that of other cities, but lower than Dallas, Portland, and Miami Dade.
- Different standards exist by jurisdiction for time to complete inspections.

SOURCE: OCA analysis of ICMA data (unaudited) for FY07 and FY08 for reporting jurisdictions with population over 500,000. These jurisdictions included Austin, Dallas, Fairfax County, Fort Worth, Miami-Dade County, Oklahoma City, Phoenix, Portland, and San Antonio.

WPDR has done a study of funding structures and fees and found preliminarily that Austin's fees are generally lower than those of other cities and do not cover costs of services, although further information and analysis are needed. In 2008, WPDR completed a study that reviewed their structure and fees and compared them to other cities. In this study, they also considered whether to convert OSS to an enterprise fund. However, they determined that there would be a gap in funding of \$12 million dollars or more if they converted to an enterprise fund using the current structure. Additionally, for the WPDR portion of the OSS process, the analysis determined that the cost of service exceeded revenue by almost \$4.5 million dollars. The study also proposed that the

function might need as much as \$3 million dollars for startup costs and an additional \$4.5 million dollars in order to cover the potential risk of revenue stream volatility, should they convert to an enterprise fund structure. The review also determined that COA development review fees were generally lower than other cities' and were generally less than the cost of service for Site and Subdivision Inspections, the Permit Center, and Development Review. See Appendix F for a summary of the Fee Study performed by management, comparing Austin fees to those of other cities. This study showed that on average, Austin's fees were lower than those of other cities compared overall and those of non-Texas cities, but higher than those of Texas cities compared. These results are based on incomplete data and thus do not fully compare Austin's fees to those of the other cities. This analysis also did not consider and collect information on the comparability of the land development regulation and level of environmental protection and other outcomes built into the regulatory process and the fees of other cities, compared to Austin. In addition, management noted that the fee analysis would need to consider which cities Austin is competing with, and that if Austin is competing for tech industry, the competition would be with cities in other states.

Fee Waivers indirectly affect OSS ability to respond to current challenges by reducing available funding, but management did not have a process in place for monitoring and communicating to Council the amount of waivers being granted.

Preliminary information indicates that an estimated \$7.7M in fee waivers was granted in FY08. Of this amount, \$4.5M was for Austin Water Utility capital recovery fee waivers, and \$3.2M was for WPDR's OSS plan review, permit, and inspection fees. Using this information, we calculated that for FY08, 14 percent of total WPDR OSS revenue was waived.

Most of these waivers are granted by Council ordinance, reflecting policy priorities of the City Council by supporting issues such as SMART Housing, charitable organizations, and East Austin neighborhood conservation districts. Management has indicated that it would be appropriate to provide Council with information with which to reassess these fee waivers, in light of achievement of the goals intended by some waivers, and in consideration of the revenue loss from fees waived for services rendered, and the impact on the organization's ability to provide effective services. However, management has not had a process in place for monitoring and communicating to Council the amount of waivers being granted, nor an overall policy for managing fee waivers. Management did provide information from the AMANDA permitting system and other tracking databases of fees being waived for the last fiscal year, along with some information on approval processes that are in place. However, management's lack of monitoring and reporting on fee waiver outcomes hampers stakeholders' ability to balance funding needs with other policy priorities.

Recommendations:

26. To ensure sufficient information for decisions on staffing and funding levels for One Stop Shop functions, OSS management should conduct benchmarking against comparable entities for staffing, workload, turnaround time, and funding. Complexity of LDC should be considered in assessing comparability of different entities.

MANAGEMENT RESPONSE: Concur

Establish a team or hire an outside consultant to identify comparable parameters, develop a survey and conduct an analysis of the resulting data. Report on the findings and implement strategies to adjust staff and funding levels as appropriate.

27. In order to ensure that OSS has sufficient resources to perform its responsibilities, OSS management and the City Budget Officer should further escalate and evaluate the assessment that was performed on OSS cost of services and fees compared to other entities, and determine whether adjustments are needed to OSS funding or fees.

MANAGEMENT RESPONSE: Concur

OSS management recommends that the cost of services be further evaluated by an outside consultant with subsequent recommendations regarding fee changes to cover cost of services. As a side note, a well conducted study would address all of the recommendations detailed in number 26.

28. In order to provide adequate levels of customer service, OSS management and the City Budget Officer should reconsider the OSS vacancy management strategy and assess the impact of continuing to keep positions vacant for each division.

MANAGEMENT RESPONSE: Partially Concur

Management will not need to continue to use the vacancy management strategy in FY 2010 due to the implementation of the savings plan. However, we will explore alternatives to adding permanent staff to deal with spikes in development activity.

29. In order to provide information to decision-makers about the impact of fee waivers, OSS management should track and provide monitoring information regarding fee waivers granted.

MANAGEMENT RESPONSE: Concur

Create an AMANDA report that will capture fee waiver information. The initial test report has been created, but it needs to be streamlined and made into a formal report.

A number of issues warrant further consideration as they relate to OSS effectiveness but were not examined in detail in this audit.

A number of significant issues have been identified through the course of our work that were beyond the resources of this audit to fully analyze for impact on OSS. These include OSS partnership agreements with other departments, interaction with Utility Coordination and Code Enforcement groups, the AMANDA information system, easements and license agreements, the Board of Adjustment, Neighborhood Planning and Zoning, and LDC change and complexity and the City's Comprehensive Plan. We recommend these areas for further attention both by management and for consideration in future audits and service planning by the Office of the City Auditor.

- **OSS Partnership Agreements.** WPDR has partnership agreements with other City departments involved in OSS. These agreements are with AE, AFD, AWU, CTM, HHS, NPZ, PARD, PW, PW Transportation, and the Watershed Protection portion of WPDR. WPDR did not have a partnership agreement with Code Enforcement at Solid Waste Services. We did not examine these agreements during this audit or evaluate the effectiveness of these partnerships in achieving OSS goals. We did note that some of the information we received on the partnership agreements was out of date, and some reorganizations have subsequently occurred, suggesting a need to revisit and update the agreements. In addition, customer input during this audit indicated some inconsistencies experienced with AWU on plan reviews, for example with AWU having different turnaround times and not providing review comments electronically as is done by other departments reviewing plans. We did not examine these issues with AWU during this audit, but they warrant further attention. Our review of audits of similar entities indicates that it is important to ensure such partnership agreements are in place and functioning effectively. We suggest this aspect of OSS as an area for further study.
- **Utility Coordination.** Utility coordination is an integral aspect of OSS processes. Due to reorganizations underway at the time of this audit and a separate audit of Utility Coordination on OCA's FY09 Service Plan, we limited attention in this area and suggest it as an area for further study.
- **Code Enforcement.** We examined Code violation data for FY08 and found some instances in which Code violations were found after relevant OSS permit approvals and inspections had occurred. However, due to insufficient information on these cases, we were not able to determine the causes of these Code violations. This issue of analyzing and using Code enforcement data as a feedback mechanism for OSS processes is recommended for further study. We have provided this as input to a separate OCA audit on Code Enforcement that is underway as part of OCA's FY09 service plan.
- **AMANDA System.** The AMANDA (Application Management and Data Automation) information system manages much of the development-related case information and provides workflow controls to help ensure that development plan reviews and inspections are performed as intended. In 2006 and 2007, this system

replaced the previous system used by OSS, as well as permitting and inspection systems used in other departments such as the Health and Human Services (HHS) and Solid Waste Services (SWS) Code enforcement. Management indicates that the AMANDA system has helped to communicate information efficiently between reviewers from different divisions, but that further work is needed to ensure that conditions of approval are communicated throughout the process. The AMANDA system is also the back end for the information provided to citizens and customers on the OSS website. Therefore, it is important that the AMANDA system be used effectively to manage development-related information and that controls are in place to ensure the completeness and accuracy of AMANDA information. We did not audit the AMANDA system during the course of this audit, although we did receive some concerns about completeness and accuracy of some AMANDA information. Other concerns were raised about the complexity of the AMANDA system and the challenge of maintaining its integration with processes through workflow controls. Management has developed a list of future enhancements and has a process in place for input on priorities for implementation by divisions and departments using the system. Responsibility for decisions on AMANDA enhancements lies not only with WPDR but also with other departments that use the system such as HHS and SWS as well as Communications and Technology Management. Due to the importance of the system in the City's development activities and the lack of audits of its reliability and effectiveness, we recommend the AMANDA system as an area for further study.

- **Easements.** During this audit, we received customer input that the City provides no information on what can and cannot be done in easements. We discussed this feedback with the City's Real Estate Manager in the City's Office of Contracts and Land Management, which interacts with WPDR on real estate issues. The Real Estate Manager indicated that certain information could be developed for posting to the OSS website. However, although the manager indicated that this information would be straight-forward for standard easements, easement information that is unique to the property involved would be difficult to capture entirely on the website. The Real Estate Manager also indicated it would be helpful to share more information on License Agreements, as well, and that application forms for easements and License Agreements should be posted on the OSS website and the City's Real Estate website.
- **License Agreements.** License agreements have an increased importance because of the Commercial Design Standards, which require pedestrian friendly amenities that may require license agreements for limited activities to occur within easements or Right of Ways. Unlike other functions of OSS, the License Agreement function is not enabled in AMANDA, meaning the process is managed manually outside of the system. We did not examine License Agreement processes or issues in detail during this audit and suggest this as an area for further study.
- **Board of Adjustment (BOA).** As discussed earlier in this report, several concerns were identified related to the BOA and consistency of interpretations against established criteria and rules, and separate inquiries were also underway. We did not

examine these issues in detail during this audit, but the Office of the City Auditor completed a separate project earlier this year that assessed risks related to the City's Boards and Commissions, and has recommended further review or audit of selected boards and commissions, including the BOA. If and when an audit is performed of the BOA, the issues identified in this report should be further examined.

- **Neighborhood Planning and Zoning.** As discussed within this report, the Neighborhood Planning and Zoning (NPZ) department has significant interaction with OSS processes and would need further examination to fully identify and understand potential issues impacting OSS effectiveness. During this audit, in addition to issues with LDC changes, we identified issues related to automatic zoning designations that occur at annexation which management was working to resolve. At the time of this report, the OSS was in process of being moved from WPDR to NPZ, and the director of NPZ was involved with WPDR in exit discussions on this audit report. This will afford a greater opportunity to examine and address OSS issues related to NPZ that were raised in this report, as well as others that might be identified through further examination.
- **The Land Development Code (LDC) and Austin's Comprehensive Plan.** As discussed in this report, numerous changes have occurred to the LDC during the last few years, increasing the amount and complexity of requirements implemented by OSS. A number of additional changes are in process or under consideration. The LDC implements the policies of the City's comprehensive plan, the Austin Tomorrow plan. The plan has not been updated since first adopted in 1979, and this can create problems pertaining to interpretation or intent. The City is currently in the process of updating the plan, and this may present an opportunity to influence and leverage these efforts to address challenges facing the OSS pertaining to stakeholder conflicts, complexity of requirements, and implementing and managing change, along with substantive issues to be addressed such as environmental protection, affordable housing, and neighborhood preservation and mobility.

APPENDIX A
MANAGEMENT RESPONSE



MEMORANDUM

TO: Corrie Stokes, Assistant City Auditor
Joan Ewell, Auditor in Charge

FROM: Victoria J. Li, P.E., Director
Watershed Protection Department
Greg Guernsey, Director
Planning and Development Review Department

DATE: August 20, 2009

SUBJECT: Response to One Stop Shop Audit

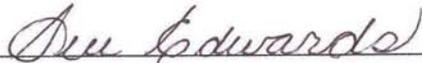
Enclosed please find our response to the subject audit. As suggested, we have used the Action Plan template to comprehensively address each audit recommendation.

We trust this submittal provides you the necessary information to complete the process. If you have any questions or need additional information, please do not hesitate to contact us.


Victoria J. Li, P.E., Director
Watershed Protection Department


Greg Guernsey, Director
Planning and Development Review Department

Approved by: Sue Edwards, Assistant City Manager

Signature: 

Date: August 21, 2009

VL:GG: mi

Attachment

**ACTION PLAN
ONE STOP SHOP AUDIT
August 20, 2009 Revised**

Rec .#	Recommendation Text	Concur- rence	Proposed Strategies for Implementation	Status of Strategies	Responsible Person/ Phone Number	Proposed Implementation Date
01.	<p>To ensure that citizens and customers have needed development information online when the City does move forward with the AustinGo website redesign, OSS management should utilize this effort to make the OSS website more customer-oriented, user friendly, and learner friendly. In particular, OSS Customers could benefit from:</p> <p>a. Better information in narrative, descriptive formats, such as informational brochures and step-by-step guides that are available on the website. This information should be designed to help new customers understand what to expect as they go through the process. "How to" information and clear instructions should be developed for new OSS customers on what to do, what to have, where to go, when to go, and who to see; and</p> <p>b. improved ability to do business online such as allowing customers to pay fees online and with a credit card and allowing customers to obtain simple permits online.</p>	Concur	<p>a. WPDRD's PIO staff is working with a CTM web developer to update both the content and the organization of the development web site.</p> <p>Application packets are being updated in Land Use Review (LUR) to include narrative to help applicants with submissions. When complete, these applications will be updated online. There are also plans to create illustrated examples of submittals to provide guidance on how to complete applications.</p> <p>b. Online transactions are part of a Citywide cashiering project. Once the Controller's Office has selected and implemented an enterprise system, AMANDA can be reprogrammed to accept more online payments. However, customers are currently able to pay some escrow fees online.</p> <p>The ability to submit applications online will be part of the AMANDA web rewrite.</p> <p>Meetings will continue with CTM about both processes, but the online applications are tied to customers' ability to make payments with their permit application submittals.</p>	<p>a. Underway</p> <p>b. Planned (Although certain escrow payments are already available online.)</p>	<p>a. Lynne Lightsey 974-3538</p> <p>To be transitioned to new Department PIO (under Greg Guernsey).</p> <p>b. Robert Turner, CTM 974-1158 For the Cashiering Project.</p> <p>Greg Hand, CTM 974-1428 For AMANDA programming and online application submittal.</p>	<p>a. Unknown at this time</p> <p>b. Unknown at this time</p>

Rec . #	Recommendation Text	Concurrence	Proposed Strategies for Implementation	Status of Strategies	Responsible Person/ Phone Number	Proposed Implementation Date
02.	To ensure that the development website contains accurate and up-to-date information, OSS management should establish a clear process within OSS with an overall coordinator and assigned liaisons in each division responsible for evaluating, approving, and monitoring website improvements.	Concur	A liaison appointed in each division to participate in the web redesign is planned to ensure accuracy and completeness of information, as well as to alert the need to update after initial launch. The department PIO will be responsible for ensuring the information is understandable to the general public and meets customers' needs.	Planned	Department PIO (to be filled ASAP)	June 2010
03.	To offer customers an interactive way to learn about the development process and improve compliance with LDC, OSS management should: <ul style="list-style-type: none"> a. offer customer training on how the OSS process works and on how to use web-based systems; b. prioritize the Land Development Academy and work to make it available to citizens in a timely manner; and c. consider designing training sessions for homeowners, home builders, small business owners, etc. on topics that are commonly asked questions. 	a. Concur b. Concur c. Concur	d. Use Land Development Academy curriculum to develop customer training. e. Continue with implementation plans of Land Development Academy. Academy session planning meetings are conducted weekly. f. This has been considered and has been implemented on a number of occasions for various stakeholder groups. Additional structured sessions for presentations will be developed.	a. Underway b. Underway c. Underway	a. Pat Murphy b. Pat Murphy c. Pat Murphy 974-2821	Oct 1, 2009

Rec . #	Recommendation Text	Concurrence	Proposed Strategies for Implementation	Status of Strategies	Responsible Person/ Phone Number	Proposed Implementation Date
04.	In order to improve consistency of staff review of plans and other submitted documents, OSS management should: a. Expand the use of quarterly supervisor reviews of plan review checklists or comments to ensure completeness and consistency of review, and establish related performance measures to reflect the results of these supervisory reviews. b. Expand the use of the guidance memos on code interpretations and the use of the network drive for sharing guidance on code interpretations and/or standard comment libraries for all divisions.	a. Concur b. Concur	a. Routine audits by supervisors or technical leads will be performed. Assessment measures tailored to each division will be incorporated into supervisors' SSPRs. b. Memos will be issued as needed and filed in a central electronic location assessable by staff. Experts in each review area will be identified for the Land Development Academy.	a. Planned b. Underway	a. & b. George Adams 974-2146 Don Birkner 974-1952	a. Beginning FY 2010 b. April 2010
05.	To ensure that residential plans comply in all respects with LDC and that residential customers are not surprised by requirements after completing construction, OSS management should either establish a process for reviewing technical aspects of residential building plans, or clarify to customers that a technical review is not performed and that customers need to ensure compliance themselves prior to starting construction.	Concur	i. Investigate methods to implement a technical review. ii. Investigate the feasibility of a contractor certification program.	Planned	Kathy Haught, Primary 974-2724 Dan McNabb 974-2752	June 2010

Rec . #	Recommendation Text	Concurrence	Proposed Strategies for Implementation	Status of Strategies	Responsible Person/ Phone Number	Proposed Implementation Date
06.	To make needed improvements in Residential Review, OSS management should continue to implement the Residential Review quality initiative.	Concur	The Residential Review Quality Initiative will continue to be implemented. In addition, we propose a new technical team review by discipline be included for the program to be thorough, accurate, and successful.	Underway/Planned	John McDonald, Primary Residential Review 974-2728 Kathy Haught, Residential Review 974-2724	October 2010 (Subject to available funding)
07.	To ensure that OSS consistently tracks and handles grandfathering requests, OSS should track all requests for accommodation under Chapter 245 and record whether the request is approved or denied.	Concur	A tracking spreadsheet has been developed but will require further refinement to record this information.	Planned	Susan Scallon, Land Use Review 974-2659	January 2010
08.	In order to mitigate potential staff perceptions that management does not support staff decisions in interpreting the Code when cases are escalated to high-level officials, the OSS Director and the ACM over OSS should establish and communicate a clear policy outlining the informal appeal process and routine fact finding that occurs when cases are escalated to high-level officials, reinforcing management's intention to support decisions in compliance with the Code.	Concur	A policy that outlines the informal appeal process and routine fact finding that occurs when cases are escalated as noted will be established and communicated to staff.	Planned	Greg Guernsey 974-2387	March 2010
09.	To ensure that LDC changes are effectively implemented, when ordinances are developed that change OSS requirements, OSS management should ensure that an implementation plan is developed and provided to Council for its consideration when passing the ordinance.	Concur	Implementation plans for ordinances resulting from proposed Land Development Code changes will be developed and communicated as appropriate. This type of information is provided to the Budget Office prior to ordinance adoption.	Underway	George Adams 974-2146	October 2009

Rec . #	Recommendation Text	Concurrence	Proposed Strategies for Implementation	Status of Strategies	Responsible Person/ Phone Number	Proposed Implementation Date
10.	To minimize potential code conflicts when LDC changes are developed and to ensure that subsequently-identified code conflicts are resolved, the director of NPZ should ensure that staff review changes for potential conflicts with existing regulations and should establish a process for dealing with code conflicts that are discovered after code changes have been approved.	Concur	<ul style="list-style-type: none"> i. A review already occurs via distribution of proposed ordinances for staff input, prior to ordinance being passed. For critical ordinance changes that affect large groups of staff an informational meeting will be considered. ii. A process will be developed to deal with code conflicts that may surface following code change approvals. 	<ul style="list-style-type: none"> i. Underway ii. Planned 	George Adams 974-2146	<ul style="list-style-type: none"> i. October 2009 ii. April 2010
11.	<p>To ensure that the OSS ordinance change management process is complete and that OSS tools are up-to-date, the Director over OSS should continue to refine the new change management process for ordinances to provide for a more structured transition into OSS processes. Specifically, the OSS director should:</p> <ul style="list-style-type: none"> a. Establish clear responsibility and a process to strengthen tracking and monitoring of ordinance implementation to include all relevant ordinances and all affected processes and procedures and tools. b. As part of this effort, establish a comprehensive inventory of tools used by OSS staff and customers, clarifying ownership of items in the inventory, and responsibility for managing and monitoring updates to the inventory as well as the items in it. c. Follow through with updating and implementing checklists, 	<ul style="list-style-type: none"> a. Concur b. Concur c. Concur 	<ul style="list-style-type: none"> a. Tracking and monitoring is in place. Additional refinement will ensure that effective processes, procedures and tools are included. b. A comprehensive inventory of tools used by OSS staff and customers will be developed. Ownership of items in the inventory, and responsibility for managing and monitoring updates to the inventory will be identified. c. Finalize the updating of checklists and develop a procedure that requires staff properly use them. 	<ul style="list-style-type: none"> a. Underway b. Planned c. Underway 	<ul style="list-style-type: none"> a. Jerry Rusthoven 974-3207 Robert Heil 974-2330 b. Kathy Haught 974-2724 Julie Lipton 974-2693 c. Kathy Haught 974-2724 Julie Lipton 974-2693 	<ul style="list-style-type: none"> a. April 2010 b. July 2010 c. April 2010

Rec . #	Recommendation Text	Concur- rence	Proposed Strategies for Implementation	Status of Strategies	Responsible Person/ Phone Number	Proposed Implementation Date
	applications, and notices that are not yet current but are necessary and relevant to ensure consistent review, and require consistent use of such checklists by staff.					
12.	<p>To provide current interpretation guidance on Code requirements for OSS customers and staff when submitting or reviewing plans, OSS management should work with the City Manager’s Office and coordinate with other departments to:</p> <ul style="list-style-type: none"> a. clarify the responsibility and process for directing and monitoring departmental updates to the criteria manuals, b. ensure that the criteria manuals are updated to reflect current Code, and c. consider consolidation of content within each criteria manual to eliminate redundancy, similar to efforts already underway for the environmental criteria manual. 	<ul style="list-style-type: none"> a. Concur b. Partially Concur c. Concur 	<ul style="list-style-type: none"> d. Criteria manuals are updated by City staff on an ongoing and/or as needed basis. No OSS individual or division currently retains formally delegated responsibility for specific criteria manuals. Additionally, under the City-wide rules promulgation process, any department may propose revisions to any criteria manual. OSS management will work with the City Manager’s office to create a memo of understanding to clarify the responsibilities and process. e. When changes to the criteria manual are necessary, OSS staff who initiate the code change will be charged with notifying the Development Rules Process SPOC. f. After the Comprehensive Plan has been adopted by Council, it is anticipated the code and its associated criteria manuals will be rewritten. Consider hiring an external consultant to undertake this initiative (subject to available funding). 	<ul style="list-style-type: none"> a. Planned b. Underway c. Planned 	<ul style="list-style-type: none"> a. George Adams 974-2146 b. Julie Lipton, LUR 974-2693 c. Greg Guernsey 974-2387 	<ul style="list-style-type: none"> a. 2011 b. Ongoing c. 2017 (assuming it is started in 2013)

Rec . #	Recommendation Text	Concurrence	Proposed Strategies for Implementation	Status of Strategies	Responsible Person/ Phone Number	Proposed Implementation Date
13.	To ensure that OSS staff have sufficient understanding of the intent of LDC changes to make appropriate code interpretations, the director of NPZD and OSS management should coordinate on developing and communicating both before and after LDC changes occur. Specifically, the intent of the ordinance changes should be clearly stated in the Code itself and the directors should assign responsibility for clarifying the intention of these changes to OSS staff responsible for implementing them, and establish a clear process for communicating this information.	Concur	This is being taken care of by the consolidation of NPZD and OSS.	Underway	George Adams, primary 974-2146 Jerry Rusthoven 974-3207	Ongoing
14.	To ensure that staff are kept up-to-date with LDC changes, OSS management should <ul style="list-style-type: none"> a. Continue implementing the plans for the Land Use Academy; b. Include training expectations on staff SSPRs to ensure that they are given the time to attend training sessions; and c. Establish clear, consistent information pathways or channels for communicating approved code changes affecting OSS to staff and making training available and required across OSS divisions. 	<ul style="list-style-type: none"> a. Concur b. Concur c. Concur 	<ul style="list-style-type: none"> a. Continue with implementation plans for Land Development Academy. b. Training expectations are already included in SSPRs. c. Land Development Academy is incorporating provisions for this item. 	<ul style="list-style-type: none"> a. Underway b. Implemented c. Underway 	<ul style="list-style-type: none"> a. Pat Murphy 974-2821 b. Applicable to Managers and Supervisors c. Pat Murphy 974-2821 	<ul style="list-style-type: none"> a. Ongoing b. Complete c. Ongoing

15.	To ensure that OSS has information on customer satisfaction, OSS management should institute a customer survey for all participants in the OSS process that is accessible on the website. The results of these surveys should be incorporated into monthly management performance assessments.	Concur	Survey questions will be identified to measure customer satisfaction levels throughout the development process. Surveys will be available on the City's OSS Web site. Consideration will also be given to a proactive approach such as a follow up e-mail surveys to customers at the completion of selected projects. Periodic reviews of these surveys will be done by management.	Planned	Department PIO (to be filled ASAP)	June 2010
16.	To ensure a customer service focus at OSS, OSS management should define the work of the customer Development Process Liaison to ensure that this position is evaluating and responding to the needs of customers to provide answers and facilitate solutions.	Concur	A tracking system is already in place. The Development Process Liaison's role will continue to be refined as the number and type of inquires are processed.	Underway	Leon Barba 974-2754	Ongoing
17.	To provide more accessibility for residential customers, OSS management should consider providing evening hours with limited staffing for Residential Review one day a week to allow customers who can not leave work during the day to submit plans.	Do Not Concur	COMMENT: Due to building security concerns and other associated costs, this is not considered feasible at this time. However, the electronic plan submittal system will provide 24/7 access for the customer when implemented. This is a planned initiative that is just getting underway by CTM. Paul Cook, 974-1473 is leading the early efforts. No definitive implementation date has been identified, but a 2013 target is noted herein for preliminary purposes.	n/a	n/a	n/a
18.	To further improve Austin's OSS, OSS management should review and consider implementing best practice approaches in place in other cities.	Concur	Develop a team to determine potential applicability of various comparable cities' practices. Also, include a review of data provided by the audit. Include opportunities for stakeholder input.	Planned	Greg Guernsey 974-2387	2013

19.	In order to establish realistic targets for plan review, OSS management should evaluate timeliness requirements to determine how much time it should take to complete a thorough review given increased code requirements; and proposed performance measures should be updated accordingly.	Concur	Establish a team to study each area where this is needed. Depending on the results from this evaluation, adjustments to performance measures will be considered.	Planned	Kathy Haught, Residential Review 974-2724 Julie Lipton, LUR 974-2693	2011
20.	In order ensure proper code compliance and the City's ability to support economic recovery, OSS management should ensure that staffing needs are evaluated in each division to determine sufficient staffing levels both in the current environment and when the economy begins to recover.	Concur	This is evaluated during each business plan and budget forecasting cycle. Business plans will be updated and strategies developed as appropriate. The Budget Office, and ultimately Council, determines staffing levels.	Planned	Greg Guernsey 974-2387	FY 2011 Budget Cycle
21.	In order to provide a balanced focus on various aspects of performance of OSS operations, OSS management should establish performance measures for quality and customer service in addition to workload and timeliness measurements.	Concur	Utilizing the planned customer satisfactions surveys (item # 15), to develop qualitative performance measures for inclusion in the next available budget cycle. Land Use Review (LUR) has developed a draft customer service survey and is working on quality measures.	Planned (underway in LUR)	Dan McNabb, Inspections 974-2752 Kathy Haught, Residential Review 974-2724 Julie Lipton, LUR 974-2693	FY 2012 Budget Cycle
22.	In order to improve retention and ensure succession strategies are in place for expected retirements or turnover that may occur, OSS management needs to increase attention to employee retention efforts. Implementing AE's succession plan or creating a similar plan should be further evaluated toward this end.	Concur	Review Austin Energy's comprehensive succession plan for possible adoption. Individual training is currently being conducted to mentor staff.	Underway	Greg Guernsey, Primary 974-2387 Renee Scott, HR 974-7250 John Beasley, HR 974-7280	2011

23.	In order to reflect increased complexity of the job and to ensure equity among staff, OSS management and the department's Human Resources manager should work with the City's Human Resources department to evaluate and update job descriptions, job titles, and job requirements for OSS divisions, as appropriate.	Partially Concur	<ul style="list-style-type: none"> a. Due to the premature ending of the Market Study, revisions of job descriptions were not completed. Department HR staff will review job descriptions on "as needed" basis for specific positions that have been identified (Intake, Environmental Review) to determine need for revision. b. Paperwork for the study of exempt vs. non-exempt classification of environmental reviewers was submitted to HRD. c. Career ladder for Commercial Review was explored with WPD/HR and HRD, and the current ladder was deemed sufficient. d. Residential Review has identified the need to revise the experience and qualifications required for its positions and will be further evaluated. e. Career progression for Site Plan, Subdivision, Environmental and Building Inspections has been developed and submitted to HRD for approval. 	<ul style="list-style-type: none"> a. Planned b. Underway c. Implemented d. Underway e. Underway 	<p>Renee Scott, Primary 974-7250</p> <p>John Beasley 974-7280</p> <p>Julie Lipton, LUR 974-2693</p> <p>Kathy Haught, Residential Review 974-2724</p> <p>Leon Barba 974-2754</p>	<ul style="list-style-type: none"> a. June 2011 b. December 2010 c. Complete d. June 2012 e. Pending HRD Approval
24.	In order to ensure that staff concerns and issues are identified and addressed, OSS management should continue and expand processes such as the staff retreat conducted by LUR.	Concur	A working team will be established to identify specific problem areas, propose potential solutions and develop a plan for implementation.	Planned	Greg Guernsey 974-2387	September 2010
25.	To help improve staff morale, OSS management should continue to explore ways of providing recognition that would be meaningful to employees.	Concur	There is an Award and Recognition Committee comprised of employees from each division that meets regularly to plan and implement recognition programs throughout the year. However OSS does not have control over funding. Surveys are conducted yearly to gauge effectiveness.	Implemented	Byron Kurka, Awards and Recognition Committee, Chair 974-2348	Ongoing

26.	To ensure sufficient information for decisions on staffing and funding levels for One Stop Shop functions, OSS management should conduct benchmarking against comparable entities for staffing, workload, turnaround time, and funding. Complexity of LDC should be considered in assessing comparability of different entities.	Concur	Establish a team or hire an outside consultant to identify comparable parameters, develop a survey and conduct an analysis of the resulting data. Report on the findings and implement strategies to adjust staff and funding levels as appropriate.	Planned	Greg Guernsey 974-2387	January 2012
27.	In order to ensure that OSS has sufficient resources to perform its responsibilities, OSS management and the City Budget Officer should further escalate and evaluate the assessment that was performed on OSS cost of services and fees compared to other entities, and determine whether adjustments are needed to OSS funding or fees.	Concur	OSS management recommends that the cost of services be further evaluated by an outside consultant with subsequent recommendations regarding fee changes to cover cost of services. As a side note, a well conducted study would address all of the recommendations detailed in number 26.	Planned	Budget – Bill Ransom Nelson/ 42627 Lisa Nickle, PDR 974-1417	Budget Office to work with OSS to develop an RFP. The consultant study can begin with FY10 with fee alignment phased in over several fiscal years beginning in FY11 (subject to available funding).
28.	In order to provide adequate levels of customer service, OSS management and the City Budget Officer should reconsider the OSS vacancy management strategy and assess the impact of continuing to keep positions vacant for each division.	Partially Concur	Management will not need to continue to use the vacancy management strategy in FY 2010 due to the implementation of the savings plan. However, we will explore alternatives to adding permanent staff to deal with spikes in development activity.	Planned	Budget - Marcus Puente/42737 Lisa Nickle 974-1417	2011 (Begin review in early October, 2009)
29.	In order to provide information to decision-makers about the impact of fee waivers, OSS management should track and provide monitoring information regarding fee waivers granted.	Concur	Create an AMANDA report that will capture fee waiver information. The initial test report has been created, but it needs to be streamlined and made into a formal report.	Underway	Lisa Nickle 974-1417	December 2009

APPENDIX B

OSS SUB-PROCESSES BY DIVISION

OSS SUB-PROCESSES BY DIVISION

Division/Section	Sub-Process
DAC / Pre-Application	
	Development Consultation
	Site Plan Correction
	Site Plan Exemption
	Maps and Sales
	Research
Land Use Review / Zoning	
	Administrative Site Plan Review
	Commission Approved Site Plan Review
	Commission Approved Subdivision Review
	Site Plan Intake
	Subdivision Intake
	General Permit Process
	Site Plan Completeness Check
	Subdivision Completeness Check
	Zoning
	Development Assessment
	Environmental Completeness Check
	Environmental Review
	Grandfathering Assessment
Residential Review	
	Alcoholic Beverages Permits
	Board of Adjustment & Sign Review Board
	Residential Construction Permit Review
	Sign Permits
	Sound Permits
	Temporary Use Permits
Residential Inspections	
	Residential Pre-Inspection
	New Residential Inspections
	Remodel/Addition Inspections
Commercial Plan Review	Commercial Plan Review
Building Inspections	Building Inspections
	Mechanical Inspections
	Electrical Inspections
	Plumbing Inspections
	Temporary Certificate of Occupancy

Division/Section	Sub-Process
Permit Center	Requesting a Permit Cancellation
	Closing an Escrow Account
	Licensing Trade Contractors
	Requesting a Permit
	Setting up an Escrow Account
	Requesting a Temporary C/O
	Transferring Escrow Accounts
Site Plan Review	
	Site Plan Corrections
	Site Plan Exemptions
Site/Subdivision Inspections	
	Driveways/Sidewalks Inspections
	Environmental Inspections
	Excavation Permit Inspections
	Site/Subdivision Inspections Close Out
	Site Inspections
	Subdivision Inspections
	Site/Subdivision TAPS Inspections
	Site/Subdivision Utility Cut Inspections
Fiscal	
	Site Plans
	Subdivision Plans
	Zoning Cases
	Cost Participation Projects
	TX DoT Projects
Right of Way Management	
	ROW Billing - City Departments
	ROW Billing - Private Contractors
	Blasting License and Permit
	Excavation Permits
	Filming Permits
	License Agreements
	Parking Permits
	Special Events Permits
	Temporary Use of Right of Way Permits
	Traffic Control Plan Review
	Utility Coordination
	Valet Operator Permits
	Valet Parking Permits
	Vendor Location Permits
Floodplain Management	Floodplain Variance
Stormwater Discharge	Spill and Complaint Response Process
	Stormwater Discharge Permit Program

SOURCE: OCA analysis of OSS process.

APPENDIX C

**MAJOR CHANGES TO THE LAND DEVELOPMENT CODE
2006-2008**

MAJOR CHANGES TO THE LDC 2006-2008

Year	Affected area	Detail
2006		
2/9/2006	Interim McMansion	An ordinance limiting Floor to Area Ratio (FAR) passed as a response to the demolition of older homes and bungalows that were being replaced with large residential structures that were not compatible with the traditional character of older and established neighborhoods.
10/1/2006	Creation of Subchapter F. (McMansion)	An ordinance to preserve the traditional character of older residential neighborhoods, which include the limitation on FAR from the interim ordinance and also created a building envelope (tent) and the requirement of side wall articulation.
8/31/2006	Creation of Subchapter E (Commercial Design Standards)	An ordinance to create design standards for more pedestrian friendly and aesthetic development of commercial properties and to provide connectivity and accessibility.
2007		
2/15/2007	Creation of Large Retail Conditional Use Permits. (Big Box)	Required that a conditional use permit be approved in a public hearing for a retail use 100,000 sq. ft. or larger and that surrounding properties and neighborhoods be notified.
6/21/2007	Parkland Dedication Fee Ordinance amendment - by unit	Allowed the City to collect a market value fee at the time of site development permitting rather than just a subdivision.
7/26/2007	Substandard Lots for Single Family Use	Created to protect neighborhoods from large residential development on substandard lots and to restrict proposed development of previous aggregations of multiple lots.
11/8/2007	Creation of Barton Springs Zone Redevelopment Ordinance	Provided an opportunity for redevelopment in the Barton Springs Zone and mitigation of land for existing development on properties over the SOS allowed impervious cover.
2008		
2/11/2008	Affordable housing Incentives	Provided affordable housing incentives for single family and multi-family housing.
2/14/2008	Subdivision	Established connectivity for Pedestrian Access.
2/14/2008	Sidewalks	Required the Construction or Fee-in-lieu prior to a Certificate of Occupancy.
2/28/2008	Realignment of Colorado River Critical Water Quality Zone	Established CWQZ along the Colorado River downstream of Lady Bird Lake (Town Lake) to coincide with the river's ordinary high water mark as defined by the Code of Federal Regulations Title 33 (definitions). This amendment limits mining operations in the critical water quality zone.
3/6/2008	Creation of Subsurface Impervious Cover Ordinance	Established criteria and allowed up to 15% of the sites impervious cover (zoning only) not to be included in the impervious cover calculation for a subsurface parking structure.
6/18/2008	McMansion Amendments	Clarified calculation of FAR, requires a common roof and common wall for duplex residential.
6/18/2008	Revised Planned Unit Developments Ordinance (PUDs)	Established revised minimum development standards for Planned Unit Development (PUD) districts to implement the goals of preserving the natural environment, encouraging high quality development and innovative design, and ensuring adequate public facilities and services.
8/7/2008	Adoption of New FEMA Floodplains Maps	Revised the current effective date of the City's flood insurance rate maps and studies as referenced in the LDC section 25-12-3. This action was the result of a five-year FEMA map modernization project that the City participated in through coordination and funding.
9/25/2008	Development Over Closed Landfills Ordinance	Established regulations and criteria for development on former landfills sites.
2006 – 2008		
	Neighborhood Plans, NCCDs, and other Area Plans	Adoption of or amendments to multiple Neighborhood Plans, NCCDs, station-area plans, and other area plans. Each of these have different requirements that need to be verified by OSS as development occurs in those areas.

SOURCE: OCA analysis of One Stop Shop staff documents and City Clerk database.

APPENDIX D

**COMPARISON OF OSS WEBSITE WITH
OTHER CITIES' DEVELOPMENT WEBSITES**

Comparison of the City of Austin Development Website to Other Cities' Development Websites

City	Customer Feedback	Narrative Process Guide	Business Hours	Contact Info	Front Page Layout	Extras
Austin - www.ci.austin.tx.us/development/	None	Links to a table and flowchart that offer non-narrative descriptions of the process; FAQ offers some answers, but is not comprehensive; no how-to guide	Not listed on front page and no link on front page; two clicks in and you have to search for it	Front Page has a phone number for DAC and a link to send emails to several development divisions; no names or mention of the director	List of links with no narrative description under major headings	
Denver - denvergov.org/planning	Link to customer survey on front page	Link on front page to 'Residential Permitting Website' - this takes you to a page that has a narrative description of the process for homeowners; commercial development process is three clicks in and not evident on the front page, also it is more bullets and links, not narrative	Hours for each division linked on individual pages two clicks in	Contact Us" link on front page that leads to a phone list for each division, but no names	Mostly links and not narrative on the front page - other pages are more narrative once you move in. Front page has a left-hand side column of links; the middle has a grouping of links under headings; and the right-hand side has a photo icon link to the residential permitting website	
Pasadena, CA - www.ci.pasadena.ca.us/permitcenter/	None	One click to a narrative description of the permitting and review process	Listed on front page for permit center	General phone number for permit center and link to manager and staff phone numbers	Narrative introduction and links listed under major headings	
Phoenix - www.phoenix.gov/DEVSERV/index.html	None	Link to flowchart that provides a non-narrative overview; there are some step by step guides about three clicks in	Not listed on front page and no link on front page	General phone number and the name and a photo of the director	Links listed on left hand side; not much content in the middle	
Portland - portlandonline.com/bds/	Link on front page to a blank customer feedback form	Link on front page called 'New Users' that connects to an interactive diagram explaining the steps of the development review process	Listed on Front Page for Development Services Center	General phone numbers listed and a photo of the director with a link to his contact information	Series of tabs across the top of the front page (including one for new users and one for applications); quick links on the left; contact information on the right; and links under major headings in the center.	Link on front page to BDS Blog that covers local development issues
Sacramento, CA - cityofsacramento.org/dsd/	Link on front page for 'Customer Service' - within this link is a link to a survey for feedback about the permit counter service; a link to a customer warranty that guarantees rights of customers; a link to a 'customer open exchange' in which customers can provide feedback; and a link to the customer ombudsman	Front page has links to pages with narrative explanations of process	Hours listed on front page.	General phone number on front page and changing photos of staff members with their name and title.	Lists of links under major headings; flashing photos of staff members with name and title	

City	Customer Feedback	Narrative Process Guide	Business Hours	Contact Info	Front Page Layout	Extras
San Antonio - sanantonio.gov/dsd/	Link on front page to customer survey	Front page has a link to a 'Citizens Academy Workbook' that offers a thorough guide to the development services dept. and the development process; Front page also has a link to the development process - it takes you to an interactive diagram that leads to bullet process guides and narrative information	Link to business hours on front page	General phone number on front page as well as a link to the Director's page with his contact information; also a link to department contacts	A "Contact Us" list of links on the left as well as a "most requested" links list; middle of page has tabs for commercial customers, homeowners, and small business owners; middle also has a list of proposed ordinances and quick links; right hand side has icon links to the customer survey and other special services	Links to Training Videos and a schedule for "lunch and learns"
San Diego - www.sandiego.gov/development-services/	Link on the front page to a customer service survey - this link is under a heading called 'Our Customer Service Commitment'	Link on front page called 'Development Process: Step by Step' that connects to an interactive diagram with narrative features	Link to business hours on front page	'Contact Us' link that leads to phone number list and staff directory	List of links down the left side of page; links in the center of page under multiple headings including one specifically for homeowners; icons links on the right side	
San Francisco - www.sfgov.org/site/dbi_index.asp	Link to report of customer survey results from a consultant hired to survey 800 users in 2008	Link on front page for brochures and publications under 'Educational Information' - on this page is a link to a pdf called 'Getting a City Permit' - this document is an informative narrative on the process	Services hours on front page and two clicks to detailed business hours	General phone number listed on front page; Two clicks to phone list for division staff	Highlights at the top; links under major headings in the center (including a section for contact information); and quick links along the right side	Link to trainings and seminars on the front page
San Jose - sanjoseca.gov/planning/	Link on front page to a customer survey with ratings such as: City staff gave me complete and consistent answers regarding my project; City staff coordinated amongst themselves to ensure my project went smoothly through the process. -- There is also a link to the planning divisions website team for comments on the website.	Link on front page to Community Guide that describes the development process in easy to understand terms for people who are new to the process. The guide is award-winning.	Listed on Front Page for regular office hours, walk-in office hours, extended walk-in hours for residential customers, and planning phone service hours	Front page has a phone number for Development Services	List of links on the left of the front page; link to meetings and customer survey on the right of the front page; Middle lists contact information, link to community guide with narrative description, and what's new section	
Scottsdale, AZ - scottsdaleaz.gov/Topics/Planning.asp	Two clicks in from the front page	Link to process flowchart in non-narrative form; also links to several 'How To' guides for different types of development; most links lead to more links and it is several clicks before you land on a narrative feature	Links to hours on division home pages	Phone numbers listed on division home pages	List of links for each department division and additional important links; most of the information is on division home pages.	
Seattle - seattle.gov/dpd/	Link on the front page to a customer service survey	Two clicks (links) in to Permitting Process narrative guide for customers still learning the process	Not listed on front page and no link on front page	Lists the name of the Department Director and link to 'Director's Corner'; also has a 'Contact Us' link that tells you who to contact for which need	Front page divided into the three divisions of the dept.: Planning, Permits, and Compliance. Under each heading is a narrative description of what you will find on the main page for each division.	

SOURCE: OCA review of websites of Austin's OSS and of comparable cities.

APPENDIX E

**SURVEY QUESTIONS FOR OSS STAFF RATINGS ON
ISSUES AFFECTING STAFF EFFECTIVENESS**

DRAFT

DRAFT

Survey Questions for OSS Staff Ratings on Issues Affecting Staff Effectiveness

Q # Question Rating

- 1 Have staffing levels increased commensurately with increased complexity and amount of requirements of LDC?**

Strongly Agree – Yes	5
Agree	4
Neutral	3
Disagree	2
Strongly Disagree – No	1

N/A

- 2 How would you describe your daily workload?** (Guide: think about FY08, i.e. last year up to September, vs now in economic downturn)

High / Un-Manageable	1
Somewhat High / Mostly Manageable	2
Moderate / Manageable	3
Somewhat Low / Could take on more work	4
Low / Am fairly underutilized	5

N/A

- 3 Are staffing levels adequate to meet required turnaround times while still completing thorough reviews?**

Strongly Agree – Yes	5
Agree	4
Neutral	3
Disagree	2
Strongly Disagree – No	1

N/A

- 4 Do you feel pressure to value timeliness over quality?**

Strongly Agree – Yes	1
Agree	2
Neutral	3
Disagree	4
Strongly Disagree – No	5

N/A

- 5 Does pressure to meet timeliness requirements increase the risk of mistakes?**

Strongly Agree – Yes	1
Agree	2
Neutral	3
Disagree	4
Strongly Disagree – No	5

N/A

6 Do you feel as though you receive adequate training for your job function?

Strongly Agree – Yes	5
Agree	4
Neutral	3
Disagree	2
Strongly Disagree – No	1

N/A

7 Do you feel you have the experience/background needed to effectively deal with the complexities of the job? (vs. being more on the learning curve still)

Strongly Agree – Yes	1
Agree	2
Neutral	3
Disagree	4
Strongly Disagree – No	5

N/A

8 Do you feel as though you are given the most up-to-date process, rules, and procedures documents to help customers comply with the LDC?

Strongly Agree – Yes	5
Agree	4
Neutral	3
Disagree	2
Strongly Disagree – No	1

N/A

9 Do you feel as though Code updates are accompanied by appropriate guidelines and training?

Strongly Agree – Yes	5
Agree	4
Neutral	3
Disagree	2
Strongly Disagree – No	1

N/A

10 Do you feel as though you receive adequate supervisory review or peer review from experienced staff to ensure correct and consistent Code interpretations, for you job function?

Strongly Agree – Yes	5
Agree	4
Neutral	3
Disagree	2
Strongly Disagree – No	1

N/A

11 How often are you confronted with a subjective Code interpretation?

Daily	1
Weekly	2
Monthly	3
3-6 times a year	4
Rarely	5

N/A

12 In the event of a subjective Code interpretation, there is a procedure in place to guide decision-making and documentation of that decision.

Strongly Agree – Yes	5
Agree	4
Neutral	3
Disagree	2
Strongly Disagree – No	1

N/A

13 Have you ever been pressured by a high-level city official to change a decision relating to the LDC?

Strongly Agree – Yes	1
Agree	2
Neutral	3
Disagree	4
Strongly Disagree – No	5

N/A

14 How much staff time is spent dealing with possibly preventable problems as opposed to the core job function?

Way too much	1
A lot	2
Moderate	3
Relatively little	4
Almost none	5

N/A

DRAFT

APPENDIX F
FEE COMPARISON

FEE COMPARISON

Methodology: In this 2008 fee comparison study, management identified example projects of various types and calculated fees for these projects, for Austin and for the comparable cities. Fee data were collected by WPDR financial staff, in conjunction with a consultant as part of City revenue initiatives.

Cities compared:

1. Charlotte
2. Dallas
3. Denver
4. Fort Lauderdale
5. Fort Worth
6. Houston
7. Phoenix
8. Portland
9. San Antonio
10. San Jose
11. Seattle

Project Types compared:

1. Parking Garage
2. Mixed-Use Shell Office Building
3. Finish-Out of 66 Condominium Units
4. Swimming Pool
5. New Restaurant
6. New Apartment Complex with 263 units
7. 3 Acre Site
8. 12 Acre Site
9. 10 Acre Subdivision
10. 100 Acre Subdivision

See the first exhibit on the following pages showing Austin versus all cities in the study and Austin versus Texas and non-Texas cities. For several cities, data were incomplete for calculating estimated fees, so the exhibit presents the average fees for cities with data. Overall the study shows that Austin's fees were 30% lower than the average of all cities in the study and 44% lower than non-Texas cities, but Austin's fees were 34% higher than in other Texas cities.

More complete data were available for two Texas cities, Dallas and San Antonio, and for one non-Texas city, Phoenix. See the second exhibit showing Austin compared to these specific cities. Overall, Austin's fees were 25% lower than in Phoenix, and Austin's fees were 32% higher than the average in Dallas and San Antonio. In general, due to the absence of complete data, more data collection and analysis are needed to arrive at definitive conclusions on Austin's fees. Further analysis should also include an assessment of the complexity of development regulation and the extent of environmental protection included in other cities' land development codes.

Note that the original study included an Update Review Fee for Projects 1, 6, and 7, but because of insufficient data from other cities on this fee, we omitted the fee from the analysis. Also, for projects 7-10, Austin has different fee levels for urban projects and projects in the Drinking Water Protection Zone (DWPZ). Because there was no such distinction for comparable cities, we used Austin's urban fee levels for comparison to the other cities.

Fee Comparison Summary

Austin vs. All Cities in Study Austin vs. Texas and Non-Texas Cities

Project	Austin	Other Cities' Average Cost	Austin % Diff from Average	Other Texas Cities' Average Cost	Austin % Diff from Other Texas Cities' Average	Non-Texas Cities' Average Cost	Austin % Diff from Non-Texas Cities' Average
Project 1 - Parking Garage							
71,656 sq. ft.							
\$2,579,616 valuation							
Building Permit	7,166	9,529		9,390		9,621	
Electric Permit	1,224	1,296		63		2,528	
Mechanical Permit	792	223		158		289	
Plumbing Permit	1,224	520		119		922	
Plan Review	2,695	4,965		1,607		6,308	
Reinspection Fee	65	60		34		94	
	13,166	16,593	-21%	11,371	16%	19,763	-33%
<i>*Update Review Fee omitted from analysis</i>							
Project 2 – Mixed- Use Shell Office Building							
106,768 sq. ft.							
\$10,142,960 valuation							
Building Permit	8,240	25,864		20,621		29,359	
Electric Permit	1,915	565		63		1,067	
Mechanical Permit	1,055	2,642		158		5,126	
Plumbing Permit	1,025	1,025		119		1,930	
Plan Review	11,789	15,973		4,011		20,758	
Reinspection Fee	260	258		169		377	
	24,284	46,327	-48%	25,141	-3%	58,618	-59%
Project 3 - Finish-Out of 66 Condominium Units associated with Project 2							
98,930 sq. ft.							
\$593,580 valuation							
Building Permit	2,885	3,402		2,271		4,157	
Electric Permit	1,158	3,142		63		4,681	
Mechanical Permit	700	715		158		1,271	
Plumbing Permit	560	622		119		1,124	
Plan Review	N/A	1,585		907		1,856	
Reinspection Fee	390	394		265		566	
	5,693	9,859	-42%	3,783	50%	13,655	-58%

Project	Austin	Other Cities' Average Cost	Austin % Diff from Average	Other Texas Cities' Average Cost	Austin % Diff from Other Texas Cities' Average	Non-Texas Cities' Average Cost	Austin % Diff from Non-Texas Cities' Average
Project 4- Swimming Pool							
1,200 sq. ft.							
\$35,000 valuation							
Building Permit	150	401		344		446	
Electric Permit	48	95		64		159	
Mechanical Permit	N/A	166		158		174	
Plumbing Permit	48	318		78		797	
Plan Review	150	172		133		192	
	396	1,152	-66%	777	-49%	1,767	-78%
Project 5 - New Restaurant							
5,447 sq. ft.							
\$1,087,000 valuation							
Building Permit	640	3,948		3,487		4,256	
Electric Permit	165	89		63		114	
Mechanical Permit	105	354		158		549	
Plumbing Permit	115	163		119		207	
Plan Review	1,202	2,491		917		3,121	
Reinspection Fee	195	191		122		283	
	2,422	7,236	-67%	4,866	-50%	8,530	-72%
<i>*Update Review Fee omitted from analysis</i>							
Project 6- New Apartment Complex w/ 263 units							
362,648 total sq. ft.							
\$14,476,000 valuation							
Building Permit	40,735	41,209		39,932		42,060	
Electric Permit	15,021	11,194		63		16,759	
Mechanical Permit	11,349	221		158		284	
Plumbing Permit	14,057	1,767		119		3,414	
Plan Review	12,186	20,645		3,714		27,418	
	93,348	75,035	24%	43,986	112%	89,935	4%
<i>*Update Review Fee omitted from analysis</i>							
Project 7 - 3 acre Site							
Site Plan Fee (Urban)	1,595	7,491		439		10,312	
	1,595	7,491	-79%	439	263%	10,312	-85%
<i>** The Austin fee would be \$2,750 in the drinking water protection zone.</i>							

Project	Austin	Other Cities' Average Cost	Austin % Diff from Average	Other Texas Cities' Average Cost	Austin % Diff from Other Texas Cities' Average	Non-Texas Cities' Average Cost	Austin % Diff from Non-Texas Cities' Average
Project 8 - 12 acre Site							
Site Plan Fee (Urban)	1,763	15,458		1,223		21,152	
	1,763	15,458	-89%	1,223	44%	21,152	-92%
<i>** The Austin fee would be \$3,000 in the drinking water protection zone.</i>							
Project 9 - 10 acre Subdivision							
based on acreage & watershed							
Subdivision Prelim Fee (Urban)	550	4,641		1,925		6,814	
	550	4,641	-88%	1,925	-71%	6,814	-92%
<i>** The Austin fee would be \$1,280 in the drinking water protection zone.</i>							
Project 10 - 100 acre Subdivision							
Site based on acreage & watershed							
Subdivision Prelim Fee Urban	3,025	25,232		15,606		32,932	
	3,025	25,232	-88%	15,606	-81%	32,932	-91%
<i>** The Austin fee would be \$7,850 in the drinking water protection zone.</i>							
Total for 10 Projects	146,242	209,024	-30%	109,117	34%	263,478	-44%

SOURCE: OCA analysis of fee study performed by WPDR in 2008, unaudited data.

Note: We reviewed and analyzed management's analysis but did not verify the accuracy of management's calculations or fee data from Austin or other entities.

Austin vs. Cities with most complete data (S.A., Dallas, Phoenix)

Project	Austin	San Antonio Cost	Dallas Cost	Average of S.A. & Dallas Cost	Austin % Diff from S.A. & Dallas Average	Phoenix Cost	Austin % Diff from Phoenix
Project 1 - Parking Garage							
71,656 sq. ft.							
\$2,579,616 valuation	Fee Calculation						
Building Permit	7,166	5,570	8,034	6,802		8,816	
Electric Permit	1,224	63	N/A	63		N/A	
Mechanical Permit	792	158	N/A	158		N/A	
Plumbing Permit	1,224	119	N/A	119		N/A	
Plan Review	2,695	2,353	860	1,607		7,053	
Reinspection Fee	65	50	25	38		150	
	13,166	8,313	8,919	8,786	50%	16,019	-18%
<i>*Update Review Fee omitted from analysis</i>							
Project 2 – Mixed- Use Shell Office Building							
106,768 sq. ft.							
\$10,142,960 valuation	Fee Calculation						
Building Permit	8,240	20,696	16,757	18,726		31,363	
Electric Permit	1,915	63	N/A	63		N/A	
Mechanical Permit	1,055	158	N/A	158		N/A	
Plumbing Permit	1,025	119	N/A	119		N/A	
Plan Review	11,789	6,740	1,281	4,011		25,090	
Reinspection Fee	260	200	225	213		600	
	24,284	27,976	18,263	23,289	4%	57,053	-57%
Project 3 - Finish-Out of 66 Condominium Units associated with Project 2							
98,930 sq. ft.							
\$593,580 valuation	Fee Calculation						
Building Permit	2,885	1,209	1,717	1,463		2,451	
Electric Permit	1,158	63	N/A	63		N/A	
Mechanical Permit	700	158	N/A	158		N/A	
Plumbing Permit	560	119	N/A	119		N/A	
Plan Review	N/A	627	1,187	907		1,838	
Reinspection Fee	390	300	375	338		900	
	5,693	2,475	3,279	3,047	87%	5,190	10%

Project	Austin	San Antonio Cost	Dallas Cost	Average of S.A. & Dallas Cost	Austin % Diff from S.A. & Dallas Average	Phoenix Cost	Austin % Diff from Phoenix
Project 4- Swimming Pool							
1,200 sq. ft.	Austin						
\$35,000 valuation	Fee Calculation						
Building Permit	150	332	333	333		352	
Electric Permit	48	63	N/A	63		N/A	
Mechanical Permit	0	158	N/A	158		N/A	
Plumbing Permit	48	119	N/A	119		N/A	
Plan Review	150	115	150	133		264	
	396	787	483	805	-51%	616	-36%
Project 5 - New Restaurant							
5,447 sq. ft.	Austin						
\$1,087,000 valuation	Fee Calculation						
Building Permit	640	2,584	4,542	3,563		4,338	
Electric Permit	165	63	N/A	63		N/A	
Mechanical Permit	105	158	N/A	158		N/A	
Plumbing Permit	115	119	N/A	119		N/A	
Plan Review	1,202	1,684	150	917		3,470	
Reinspection Fee	195	150	150	150		450	
	2,422	4,758	4,842	4,970	-51%	8,258	-71%
	<i>*Update Review Fee omitted from analysis</i>						
Project 6- New Apartment Complex w/ 263 units							
362,648 total sq. ft.	Austin						
\$14,476,000 valuation	Fee Calculation						
Building Permit	40,735	18,561	56,545	37,553		40,029	
Electric Permit	15,021	63	N/A	63		N/A	
Mechanical Permit	11,349	158	N/A	158		N/A	
Plumbing Permit	14,057	119	N/A	119		N/A	
Plan Review	12,186	3,379	4,050	3,714		30,022	
	93,348	22,280	60,595	41,608	124%	70,051	33%
	<i>*Update Review Fee omitted from analysis</i>						
Project 7 - 3 acre Site							
	Austin						
	Fee Calculation						
Site Plan Fee (Urban)	1,595	N/A	523	523		6,280	
	1,595	0	523	523	205%	6,280	-75%
	<i>** The Austin fee would be \$2,750 in the drinking water protection zone.</i>						

Project	Austin	San Antonio Cost	Dallas Cost	Average of S.A. & Dallas Cost	Austin % Diff from S.A. & Dallas Average	Phoenix Cost	Austin % Diff from Phoenix
Project 8 - 12 acre Site							
Site Plan Fee (Urban)	1,763	N/A	2,091	2,091		9,520	
	1,763	0	2,091	2,091	-16%	9,520	-81%
<i>** The Austin fee would be \$3,000 in the drinking water protection zone.</i>							
Project 9 - 10 acre Subdivision							
based on acreage & watershed							
Subdivision Prelim Fee (Urban)	550	3,025	2,248	2,637		1,184	
	915	3,025	2,248	2,637	-79%	1,184	-54%
<i>** The Austin fee would be \$1,280 in the drinking water protection zone.</i>							
Project 10 - 100 acre Subdivision							
Site based on acreage & watershed							
Subdivision Prelim Fee Urban	3,025	38,125	8,548	23,337		21,000	
	5,438	38,125	8,548	23,337	-87%	21,000	-86%
<i>** The Austin fee would be \$7,850 in the drinking water protection zone.</i>							
Total for 10 projects	146,242	107,740	109,791	111,092	32%	195,171	-25%

SOURCE: OCA analysis of fee study performed by WPDR in 2008, unaudited data.

Note: We reviewed and analyzed management's analysis but did not verify the accuracy of management's calculations or fee data from Austin or other entities.

APPENDIX G
REVIEW OF AUDITS OF SIMILAR ENTITIES

REVIEW OF AUDITS OF SIMILAR ENTITIES

Our research of audits of other entities found that the implementation of the One Stop Shop concept is a continuing evolution, and that that the issues and challenges facing Austin's OSS are not unique. These issues are not necessarily solved in the first pass of consolidating a One Stop Shop, so they require continued monitoring and vigilance in addressing implementation details. Some findings and issues addressed in other entities that could be relevant for Austin's OSS included the need for turnaround time improvement, customer surveys, and performance measurement; the need to address delays in achieving technological capabilities such as electronic filing and payment processing; and the need to improve the quality of website information and clearly communicate applicant responsibilities. Other issues included the need for checklists and guidelines, supervision, training, quality assurance, and staffing needs; and the use of interagency agreements, single points of contact for projects, and review committees to ensure cross-departmental coordination. See below for more details.

- **Portland audits of 1997, 2003, and 2005.** The city of Portland conducted audits of its development review operations in 1997 before consolidation into a One Stop Shop, in 2003 after consolidation, and again in 2005. The 2003 audit made the following recommendations, which address similar issues to those facing Austin's OSS – that the City Council carry out its planned streamlining of regulations; that the Bureau of Development and other City bureaus implement interagency agreements to improve coordination of review work; and that the Bureau of Development improve its performance measurement and reporting practices, conduct an annual customer survey, and develop more detailed cost of service information. All of these issues were identified as relevant in our review of Austin's OSS, and to the extent that Portland's progress can provide guidance on future steps, these efforts should be leveraged. Portland's 2005 audit explored further inter-agency agreements. The agreements explained the roles, responsibilities, and performance standards each bureau was expected to meet in the course of performing development reviews. The audit recommended improving inter-bureau coordination and the timeliness of development review by ensuring that key commitments established in the 2003 interagency agreements were accomplished. This model also demonstrates the benefit of continued independent review as a part of the organization's overall framework for risk monitoring and improvement.
- **Honolulu's 2004 audit** of its One Stop Shop identified the following key issues which are related to issues observed with regard to Austin's OSS:
 - The audit found that despite implementation of technological improvements and the existence of a hard working and dedicated staff, implementing the One Stop Permit Centers did not result in the efficiency and effectiveness improvements in the building permit process that had been projected.
 - The audit also found that the department implemented the One Stop Permit Centers without adequate consideration, evaluation, or development of personnel requirements necessary to support changes and achieve improvements in the operational efficiency of the permitting process. Programs to ensure that staff were properly trained were inadequate, and staff were overwhelmed upon implementation of the permit center. Also, despite the knowledge that staffing issues were the most time consuming and difficult to implement, the department was slow in proposing staffing adjustments needed to

adequately support projections. The audit also found that meaningful goals and objectives by which to measure performance have never been developed.

- The audit found that many of the technological capabilities of the permit processing system, such as electronic filing, and payment processing, and user-accessible terminals at the permit centers, were still pending implementation. These have been reported as relevant to Austin's OSS as well.
 - In addition, the audit found that the department failed to effectively communicate the applicant's responsibilities. It also found that there was a lack of adequate, easily understood information, checklists, guidelines, and other information to assist applicants in the permitting process. The lack of information pertained both to permit centers and the department's website.
- **Palo Alto's 2004 report** identified the following key issues, some of which were similar to or could potentially apply to issues facing Austin's OSS.
 - The development review process needed to be simplified, and a standard appeal process was needed. Delays in reviewing planning and building applications put a heavy burden on applicants, neighbors, and staff. In addition, turnaround times needed improvement.
 - The audit made recommendations to establish single points of contact for projects, strengthen the internal development review committee to ensure cross-departmental coordination, clarify the roles and responsibilities of boards and commissions, limit the number of multiple hearings on projects, and expedite minor projects through increased use of the administrative approval process. Other recommendations were to invest in supervision and internal processes in the department, particularly as those related to monitoring the status of applications, official records, training, quality assurance, and the role of the administrator. In addition, the audit recommended improving customer service, as well as clarifying priorities and performance standards.