I.   EXECUTIVE SUMMARY

A.   BACKGROUND

This study was initiated by the Planning and Development Review Department (PDRD) to conduct an organizational and operational analysis of the department in an effort to increase process efficiency, customer satisfaction and delivery of accurate and timely services.

B.   OVERVIEW SUMMARY/CONCLUSIONS

The Austin Stakeholders are not pleased with the current level of service being provided by the City Planning and Development Review Department as well as some related City departments. The call for this study was an outgrowth of those feelings.

While we found many strengths, good features and processes in PDRD, along with many good and competent staff, we generally concur with the Stakeholder perception and we found many areas needing attention. The customer survey we conducted for this study had the most negative scores we have seen in our studies of 170 communities in 31 states.

There have been many attempts in the past to fix Austin's development process including the creation of the One Stop Shop in 2001 and the creation of PDRD in ___, but these have had only limited success.

> **Austin must decide if it really is serious this time. If so, some dramatic actions as outlined in this report will be necessary.**

The Backdrop

There are a number of actions underway in Austin that will impact the Planning and Development Review Department and will need to be considered as this report is implemented. They include:

- ~~The CodeNEXT project;~~
- The new Mayor and City Council;
- The new Civil Service system;
- The CodeNEXT project;
- The possible consolidation of some of the Boards and Commissions;
- The two new Assistant Directors in PDRD;
- Ongoing retirements of key PDRD experienced employees;

- The move to accept plans and credit cards over the Internet;

- The move to electronic plan check;

- A new electric code; and

- Involvement of the Texas legislature and Attorney General in Austin issues. (more extensive than we see in most states)

While most of these will have a positive impact in the long term, the changes can put extra pressure on PDRD as it works to implement this report.

History

Paul Zucker, President of Zucker Systems led a team of five national planning and development experts on a three day trip to Austin in 1987 and issued a report called, *Improving the Development Regulatory Process in Austin*. Many of the issues discussed in 1987 (some 27 years ago) still remain. A critical issue that we found in 1987 still exists – the so called "Austin Way." The 1987 report described it this way:

> *The so called "Austin Way" contains an unhealthy dose of suspicion. This lack of trust became evident in the desire by both staff and citizens to over-document everything, to dot every "i" and cross every "t", the tendency to create new commissions along with each new ordinance, unwillingness to delegate more decisions to staff and staff's feelings that if they make a mistake, they may be crucified. In the long run every detail cannot be documented. This kind of system will break down and sink of its own weight. We are not suggesting that the Austin Way be abandoned, rather that it be kept in perspective.*

We agree with the finding on the 1987 report. Neither we, nor we think anyone else, is smart enough to write a Code that covers all likely situations that occur in most development projects. Staff needs to use some common sense, solve problems, and use whatever discretion the codes may allow.

C. KEY PRIORITY AREAS

This report includes 464 recommendations for improving PDRD and Austin's development process. While all the recommendations are important, we believe there are seven key areas or groupings that need the highest priority as follows:

1. FINANCES

Findings

PDRD's budget is part of the City's General Fund. However, experience throughout the country has shown that planning and development departments cannot compete with fire and police services in a General Fund budget process. The solution to this, which is used by most progressive communities and best practices communities, is the use of either an

---

Comment [MM[1]: As a general comment, Please change out "plan check" with "plan review" throughout.

Comment [MM[2]: Please reference our comment in Chapter II – "Culture" table - where you speak of this. Contradiction.

Comment [MM[3]: The land development code in general does not allow discretion. This is a not a staff problem, but is a code problem.

Enterprise Fund or at least a way to isolate fee revenues to be used only for development functions. Adding to this dilemma are studies showing that Austin fees are amongst the lowest of comparable cities. Progressive cities also create substantial reserve accounts to support key staff in a time of a development downturn.

While the City has been adding some staffing to PDRD to meet Stakeholder needs (residential plan review being an example), it appears that staffing has generally been added well after the problems have occurred.

There are a variety of ways to illustrate this financial issue. For example in FY 2013-14 the budget estimated revenue of $17,710,026 while the actual revenue was $28,994,663 an increase of $11,284,637. Yet these excess revenues did not go back to help PDRD but went into the General Fund. The same thing happened in FY 2012-13. Revenue was estimated at $13,613,033 with actual revenue of $21,359,479, a difference of $7,746,446. For FY 2014-15 the revenue is estimated at $19,795,776. However, if the FY 2013 revenue is repeated (which is likely) there again would be $9,198,887 over the estimate. In our experience, the development community is willing to pay for good service, but their fees should be used to improve that service.

> **Comment [MM[4]:** You speak of revenue but do not compare it to expenses. They go hand-in-hand. Nickle

Recommendations

- Budgets and revenues for the development related activities of PDRD should be isolated from the General Fund in a separate account, Recommendation 16.

- An initial 3.5 million should be set aside to implement this report, Recommendation 17.

- A reserve account should be established for the One Stop Shop with an initial deposit of 3.5 million and a target to build a 22 million reserve, Recommendation 18.

2. MANAGEMENT AND COMMUNICATION

Findings

While selected PDRD Divisions may be operating efficiently and effectively, there is no overall strategy in PDRD to address Stakeholder or employee concerns. There is a lack of clear and effective management. An example of this can be seen in the 2013-2014 budget. Commercial plan review was meeting only 24% of its performance standards. Yet with no real increases in resources, the budget initially indicated meeting 80% performance. Following criticism of this, the performance standard was again set at 24%. However, there is no program in place to meet a reasonable performance standard.

> **Comment [MM[5]:** There was not an unmet need process in FY14-15. The unmet need process which was created after budget submittal only allowed departments 2 days to get their submittals in. So PDRD was not given an opportunity to ask for unmet service demands. Nickle

It has taken simply too long to fill vacant key management positions. One vacant Assistant Director took close to 9 months, another over 7 months, a Manager Engineer,

close to 5 months, and a Chief Plans Examiner close to 4 months. In an organization suffering from poor management, this performance is not acceptable.

In our meetings with staff and in our staff questionnaires, it became clear that there are major communication problems within PDRD. Many employees are simply not aware of fundamental resources and issues within the Department. The goals of the One Stop Shop which was created in 2004 and the creation of PDRD in __ has not been achieved. There are also major coordination problems between PDRD and other City departments.

PDRD has made some strides internally in the way it organizes functions. However, there are a number of instances where like functions, or highly related functions are under different managers. This will become even more important as functions are moved to PDRD from other Departments as we are recommending.

Recommendation

- A new Deputy Director for operations should be appointed to allow the PDRD Director to focus on external and political issues, Recommendation 32.

- All budget and accounting functions should report to the Chief Administrative Officer, including the Financial Manager, Recommendations 36 and 359.

- Inspectors should use City issued cell phones, Recommendation 81.

- The PDRD Director should focus on setting the mission and strategy for the department and delegate certain functions, Recommendations 33, 179.

- Conduct a 360 degree evaluation for all managers and supervisors, Recommendation 387.

- Training program should be substantially expanded with an additional $100,000, Recommendation 384.

- Managers and all staff to return all phone calls and emails the same day received, Recommendation7.

- Change the PDRD culture to one focused on the customer and problem solving, Recommendation 11.

- Strengthen relations to neighborhoods, Recommendation 55.

3. OTHER DEPARTMENTS

Findings

There are at least 10 other departments involved in the development plan review and inspection process. In 2004 there was an attempt to work these departments into a One Stop Shop system. MOU's were negotiated with some of these and some staff were collocated with PDRD staff. However, this system was only partially implemented and has remained uncoordinated. Developers are often left to negotiate through the maze on

their own. Many plan reviews tend to be a joint effort between PDRD and the operation departments as do some of the inspections. Other communities have managed this issue by simply merging functions into one department, setting clear rules as to who handles which issues, and creating project managers with some decision power.

In order to have good and timely plan review, it is also essential that constructions standards are up to date. The operating departments are currently responsible for the construction standards and rules however, many of these are either not up to date or are confusing.

Recommendations:

- PDRD would take full responsibility for plan review and inspection for all applications. The standards to be implemented would remain the key responsibility of the operating departments, Recommendations 42, 43, 44, and 45.

- Operating Departments would up-date all of their standards and rules within three months, Recommendation 42.

- MOU's should be adopted between PDRD and all the relevant departments. These would document all responsibilities, give plan review to PDRD, and as needed, transfer some staff from other departments to PDRD, Recommendation 117.

- Hire a consultant to analyze removing certain functions from operating departments, Recommendation 46. This could include a partnering process, Recommendation 355.

- Reduce or combine the number of reviewers for plan check in residential and commercial plan check, Recommendation 40.

4. PERFORMANCE STANDARDS

Findings

Applicants for development projects have two key complaints:

1. It takes too long to get an approval; and

2. There is inconsistency in requirements and new items are added during each cycle of review.

Good planning and development systems require good performance standards that are monitored and used as management tools. The City has one of the most extensive performance management systems we have seen in our many studies. However, many of the standards simply measure the wrong things, key measures are not being used by managers and supervisors to manage their functions, and some of the performance time standards are too long.

Comment [MM[7]: The established rules process absolutely precludes this from happening. It will take an ordinance change to make anything like this remotely possible   Wren

Although many of the stated performance standards meet normal best practice standards, many staff tend to do a somewhat superficial review on the first round of review which leads to many cycles of review. Additionally, new items are being added as projects proceed and many staff tend to nit-pick applications.

Some of the functions are short staffed and thus have backlogs of review. It is not possible to use a performance approach to processes if there is a shortage of staff or backlog of applications. We eEstimate a backlog of 119 cases for residential review, 79 for commercial review, and 76 for site plan review.

Recommendations

- A variety of performance standards should be shortened, Recommendations 53, 226, 294.

- Whenever performance standards cannot be met, managers need to use overtime, temporary staff, or well qualified consultants to meet the performance standard 90% of the time, Recommendation 51, 52, 101, 108, 259, and 302.

- The first review should be comprehensive and new items should not be added in subsequent reviews, Recommendation 120.

- Abandon use of averages for performance standards, Recommendation 8.

- Counter wait times should be no more than 15 minutes, Recommendation 9.

- Reduce or combine the types of reviewers for plan check in residential and commercial plan check, Recommendation 40.

- All external departments's to agree to specific performance standards, Recommendation 96.

5. TECHNOLOGY

Findings

As outsiders to Austin, we have viewed the City as a progressive high-growth community attractive to technology companies. We were surprised to see that PDRD is behind good processing departments in the use of technology. Some processes are still using hand written notes. This is an issue, not only for the Planning and Development Review Department but appears to be an issue in many other City departments. While the PDRD has a robust piece of software, AMANDA, it is not being used by all planning and development functions and related departments and many of its features need to be expanded. The City does not accept credit cards or applications over the Internet, a national standard for progressive communities. Additionally, electronic plan review is not being used, increasingly a national standard.

> **Comment [MM[8]:** Recommend that you acknowledge that AMANDA was not a city wide priority and therefore CTM did not apply the necessary resources.

On a positive note the City is about to accept credit cards over the Internet for development applications, allow Internet application filing, and began use of electronic

plan review. Progressive communities have had these features in place for some time. Communities that have made this transition have found that it requires major commitments to train staff, have the appropriate equipment, and often backfill selected staff positions while the system is being designed and implemented. We are concerned that the City is underfunding this effort, particularly in light of the many other issues within PDRD and the implementation of this report.

Recommendations

- Proceed rapidly with credit cards, Internet Plans, electronic plan check, and update of the AMANDA system, Recommendation 161, 164, 166 and 168, 175, 410, 419, and 420.

- Expand the training programs and backfill positions as necessary for a successful transition to the information age, Recommendation 156, 212, 403, and 406.

- Add additional features to AMANDA, Recommendations 41, 50, 113, 145, 201, 209, 234, 235,236, 237, 239, 252, 255, 267, 268, 300, 309, 346, 399, 400, 401, 402, 407, 408, 415, 416, and 426.

- Designate and train one full time person for AMANDA, Recommendation 398.

6. STAFFING

Findings

Many of the functions within PDRD are short staffed. There may also be staffing issues within other development related departments. Although some staff has been added for the development process through the years, generally it has been added too late in relation to the problems and not always at a sufficient level. Customers have major complaints about how long it takes to have plans approved, while there are many related issues to shortening timelines, they cannot be addressed without adequate staff. There are also major backlogs of permits, in residential, commercial and site plan reviews. These cannot be solved with existing staffing. A number of other aspects also address the need for more staff including extremely long wait-times at public counters. All the managers and staff need to spend more time in training, pressures will be on staff to implement this report as well as CodeNEXT, and extra staff resources and training will be needed as the department transitions to Internet Permits and Electronic Plan Check.

Recommendations

- Use overtime, temporary staff and contract staff as necessary to meet performance standards, Recommendations 51, 52, 101, 108, 259, and 302.

- Give preference to overtime, contract staff, and consultants vs. permanent staff, Recommendations 302, and 338.

- Add staff or consultants to the equivalent of 21 positions, as outlined in Table 9.

> **Comment [MM[9]:** Table 9 needs to be part of Executive Summary. Any references to tables, figures need to become a part of this Executive Summary. Not sure if Recommendation #s need to be listed in this document. Maybe they can be placed in an index. If this is truly an executive summary, there should be an index (possibly chapter 1 with the running list of recommendation)

- Increase staff judgment and modifications in the field, Recommendation 345.

7. PROJECT MANAGERS/PROCESSES

Findings

When there are numerous functions and departments involved in the development process it often leads to long timelines, lack of coordination between functions, and lack of clarity regarding requirements and conditions. The applicant is often left to fend for themselves and weave their way through the system. That is the case in Austin. One way many communities have addressed this is through the use of case managers or project managers. In Austin, a staff member is assigned to a building permit, site plan, subdivision, or zoning permit. However, they tend to play a much more limited role than true project managers.

Recommendations

- Develop Project Manager Program, Recommendation 297. The building plan examiners will be project managers for building plan check, Recommendation 116. Current Planners will be empowered to be project managers for planning issues, Recommendation 153. The site plan staff should function as true project managers, Recommendation 245.

- A development Review Committee should be created for complex zoning projects, Recommendation 173.

- It is proposed to increase the use of staff judgment and modifications in the field, Recommendation 345.