

## **EXCERPTS FROM THE ZUCKER DRAFT FINAL REPORT**

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This memo conveniently provides key excerpts from the Zucker Draft Final Report of March 18, 2015 assessing Austin's Planning and Review Department. The reader will be able from these excerpts to grasp in less than fifteen minutes the gist of the 784-page report. The report by highly regarded national expert Paul Zucker can only be described as a devastating indictment of the City's management of our planning, permitting, and development review process.

**Why is this important?** The City is currently planning major changes in our Land Development Code that will impact everyone's neighborhood and the management of growth. The Zucker Report calls into question whether the people in charge can be trusted to do it competently and in the best interest of Austin.

While Mr. Zucker recommends that the City spend \$4 million to address the plethora of problems identified in his report, we believe that before committing to such an expenditure, the City would be prudent to first address what is obviously a critical management personnel problem. The City would be well served to ask Mr. Zucker to appear before the full City Council in public to respond to questions on how to fix the City's chronic poor management.

In writing his report, Mr. Zucker used bold and sometimes red typeface for emphasis. We have highlighted in yellow some of his more critical opinions.

PMH/FIL

### **VERBATIM EXCERPTS FROM THE ZUCKER REPORT:**

#### **EXECUTIVE SUMMARY**

"The Austin Stakeholders are not pleased with the current level of service being provided by the City Planning and Development Review Department (PDRD) as well as some related City departments. . . .

The applicant survey we conducted for this study resulted in some of the most negative scores and responses we have seen in our many national studies. . . .

As can be seen, there have been many attempts in the past to fix Austin's development process including soliciting a review by 5 national planning and development experts in 1987, the creation of the One Stop Shop in 2004 the creation of PDRD in 2009, and 18 key Stakeholders meeting with staff and a facilitator in 2013 to address the issues. . . .

While Austin 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. . . .

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 no clear customer service focus and a lack of clear and effective management.

In our meetings with staff and in our staff questionnaires, it became clear that there are major communication problems within PDRD. . . .

There are also major coordination problems between PDRD and other City departments. . . .

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 or key measures are not being used by managers and supervisors to manage their functions.

Although many of the stated performance standards are reasonable and meet normal Best Practice standards, they simply are not met. . . .

We were surprised to see that PDRD is behind Best Practice development processing departments in the use of technology. . . .

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. . . .

## INTRODUCTION AND SUMMARY

Table 1 summarizes the 461 recommendations and opportunities for improvement made throughout this study.

**ISSUES RELATED TO THE ENTIRE PLANNING AND DEVELOPMENT REVIEW DEPARTMENT**

There is a major lack of internal communication within PDRD. It became obvious in our eight meetings with staff that managers and supervisors are not communicating with staff. We raised numerous issues that one would expect staff to know about and saw mostly blank stares.

...

PDRD customer[s] are extremely frustrated in not being able to contact a live person via telephone and not having voice mails and emails returned. We are told that some staff never return phone calls or emails, or if they do, it is a day or several days after the customer’s contact. Phone statistics show that 7 of the 10 PDRD Divisions never answer their phones from the mainline and all calls go to voice mail. ...

**PDRD Culture**

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

**D. DEVELOPMENT PROCESS**

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

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

...

Concerns have been relayed to the Zucker Team that services from the City Attorney’s Office have often been inadequate, and at the same time PDRD has been admonished by the City

Attorney's office that they may file a complaint to the State Bar Association about the work of the PDRD staff member. While it is important to recognize that the formal legal representative for Austin should always be through the City Attorney's (CA) office, it is apparent that there is a need for a higher level of legal services to help PDRD maintain timely action on development and environmental responsibilities.

We believe that the conflict described above between the CA and PDRD does not serve the best interests of the City of Austin. . . .

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

Every Friday morning, for 60 to 90 minutes there is a Lead Team meeting that includes the Director, 3 Assistant Directors, Budget Officer, Chief Administrative Officer, Public Information & Marketing Manager, and the Business System Analyst Supervisor. Generally the Director speaks on his topics and there is insufficient time for round table discussion. There are no agendas used for this meeting. There is no overall discussion of the mission, strategy, or manager training. . . .

There is considerable confusion between the responsibilities and functions of PDRD and the related departments. . . .

We will comment on specific performance standards and performance in various parts of this report. Of interest in Table 15 is the % On Time data which varies from a low of 22% to a high of 94%. For 2014, the range was a low of 23% and a high of 40%. These are some of the worse results we have seen in our numerous studies of other cities. . . .

In our stakeholder meetings, the neighborhood representatives expressed major concerns about PDRD as related to transparency and providing useful data. This is an unhealthy relationship that works against building a better Austin. . . .

## BUILDING INSPECTION

Meeting the next-day inspection standard does not, however, give any indication of the quality of inspections being performed by individual inspectors. This arrangement lends itself to assigning fewer inspections to poorly performing inspectors and loading up inspections on highly efficient inspectors. . . .

The other actual inspection related performance standard that the Department is tracking is the failure rate for residential inspections. This rate is higher than we have seen in other jurisdictions and has increased over the last several years. . . .

The City of Austin has implemented a very comprehensive program to identify properties with expired permits. While we support the need for obtaining permits for construction projects, it appears to us that the City of Austin has taken the obligation to resolve all expired permits to a level that we have not seen anywhere else in the country. . . .

## COMMERCIAL PLAN REVIEW

In comparison with many other jurisdictions, our review of the current organizational structure of the Commercial Review Division suggests an excessive number of levels between the Assistant Director and the first-level employees. . . .

It has also been communicated to us through employee surveys and interviews that managers and supervisors as a group seem to be reluctant to provide timely responses to staff requests for direction on the proper interpretation of specific code requirements. We are aware that employees should be expected to perform basic research and develop recommendations for a supervisor to endorse rather than simply expect supervisors to perform all research. The problem identified to us was an unwillingness to take responsibility for making a decision. This problem may be somewhat attributed to the number of supervisor and manager positions that have been vacant for extended periods, but employee comments suggest that this is problem that has been engrained in the culture of the organization for a long time. . . .

In our customer surveys and stakeholder meetings customers expressed great frustration over what they believed was the City's practice of ignoring this mandated requirement. This perception has contributed to an often-expressed feeling of mistrust when dealing with City staff. . . .

A problem identified while observing operations at the Permit Center was that customers were being advised by Commercial Plan Review Staff that their permits were ready to be issued by Permit Center staff when, in fact, there were remaining issues that should be resolved before they were sent to the Permit Center. . . .

A complaint expressed by customers and confirmed by staff is that correction lists provided by the various departments and agencies that review commercial plans are not reviewed for potential conflicts before being distributed to the applicant. The approach leaves the applicant in the difficult position of trying to resolve the conflicting corrections with each group separately. This is an outstanding example of silos existing within the Department and the process. . . .

It is clear from the number of complaints received from the customers and staff that there is a need to improve the overall quality of plan review services. While the section has numerous checklists and procedures in place, there is no program in place to periodically audit the employee's work to confirm that plan reviews are being performed in a uniform and consistent manner. The level of inconsistency among plans examiners has reached a level that has

resulted in customers routinely attempting to “game the system” in order to avoid some plans examiners. . . .

Unfortunately, this environment has led some customers to suggest that staff favoritism may play a role in determining whether a project would be allowed to participate in the process. Some customers complain that this is more likely to occur when the submitting customer is a former employee of the Department. . . .

## COMPREHENSIVE PLANNING

There appears to be no management plan or system in place for executing future neighborhood/small area and corridor plan updates or master planning efforts for the regional, community, and neighborhood centers envisioned in the Imagine Austin plan. . . .

The role of an urban demographer is to document and forecast the demands for future city services, infrastructure, and territory needed to direct city investments and growth policies in an orderly manner. In Austin, the City's demographer fills a standalone position reporting to the development services manager responsible for plan implementation. There is little oversight or accountability for this position, particularly since the demographer is frequently requested by the City Manager and others to perform tasks outside of PDRD. . . .

During this period very little planning attention has been given to developing area on the periphery of the city. Although a major focus of Imagine Austin, no significant planning attention has been given to the centers and corridors in these areas since the plans adoption. . . .

While the CodeNEXT consulting team's Land Development Diagnosis Report identified the future emergence of the proposed activity centers and the requirements for appropriate zoning, the report underplayed the importance of these areas as the containers of most of Austin's future growth. Most of the CodeNEXT main focus to date has been on existing neighborhoods, downtown, and other established areas. The greatest opportunities for future community building and implementing the goals of the comprehensive plan will be in the Greenfield development center areas where the largest share of Austin's future inhabitants will reside. . . .

Comprehensive plans in most urban cities in the U.S. include infrastructure elements with accompanying maps that conceptualize long-range utility service areas, treatment plants, and other key utility components. These are not present in the Imagine Austin plan. . . .

## CURRENT PLANNING

For example, our interviews indicated that Administrative Specialist staff do not provide backup to one another for meeting minutes, or during absences. Rather, professional staff is asked to provide the coverage (e.g., attend meetings and take minutes), which is not an appropriate use of professional staff's time. It was also widely reported that Professional staff often handle file set up, hearing scheduling, and report set up, rather than designated administrative staff, which is inefficient and a misuse of professional staff's time. . . .

In addition, we requested, but did not receive activity data for the Historic Preservation function. . . .

Our interviews with Staff indicated that the AMANDA system is not currently configured properly to effectively manage various workflow tasks of the Zoning Case Management process (e.g., scheduling, staff reports, etc.), nor is AMANDA utilized by the Annexation or Code Amendment Programs to help manage their case processing work flows. . . .

The 2014 Business Plan for PDRD acknowledges that the Department as a whole has experienced problems "supporting, managing and implementing the PDRD's Records Management Program," which our interviews confirm. In addition, according to the Business Plan, PDRD has not successfully completed the "10-Step Records Management Program" mandated by City Code. . . .

For example, staff indicated that meetings with managers are unproductive and largely used to air complaints rather than disseminate important city and Department-wide issues and discuss and resolve project issues. Moreover the Division Manager frequently does not attend weekly staff meetings, which is a critical forum for discussing and resolving project level issues. Staff also reported that they rarely receive important budget and staffing information from management.

In addition, staff reported that there are processing inconsistencies among planners within the Division, which causes frustration among staff and customers.

It was also reported, and confirmed through our observations, that communication silos exist between the Current Planning Division and Comprehensive Planning, Land Use Review and CodeNEXT teams. Some of the Planners in the Current Planning Division expressed a particular concern about not being included in the CodeNEXT effort, even though they will be administering the Code once completed. . . .

Interviewees also indicated that overall morale is low and that there is a need for strong, assertive leadership at all management levels to steer internal meetings, ensure adherence to policies and procedures and create and foster cooperative inner-divisional working relationships to help bridge communication and coordination gaps.

The majority of staff interviewed indicated that they are no longer clear about the Division or the Department's mission, vision or strategy for service delivery, which causes frustration.

Finally, staff indicated that management does not function as a cohesive, dependable management team. Decision-making is reportedly inconsistent, slow and non-existent in some cases. For example, it was widely reported that staff is often unable to obtain timely management direction on critical issues, which delays problem-solving or forces staff to take decision-making risks, which can lead to errors. . . .

However, interviewees indicated that formal written policies do not exist for returning emails and phone calls, and that customer service level of service expectations have not been formally established. Additionally, measurable Performance Standards have not been established for the Division. . . .

We received feedback that the Zoning Case Management function in the Current Planning Division, does not currently have a true Project Manager system in place to manage various Zoning Case Management applications. . . .

Staff indicated that the Team approach was abandoned in 2002 because the generalist Project Manager Position did not have the depth of understanding required to manage a professional, multidisciplinary team. . . .

We received feedback that telephone calls and emails are not consistently returned by all staff in the department. Staff indicated that an informal policy exists for staff to return all emails and calls within 48 hours; however, this policy is neither adhered to nor enforced. . . .

For example, it was widely reported that management staff does not provide timely responses to critical communication that affects decision-making.

In addition, staff reported that the mission and vision of the Department is currently unclear, workloads are uneven, and processing methods vary among staff, which creates frustration and tension within the Division. . . .

We received feedback from interviewees that postponements are excessive and create significant processing delays. For example, we were made aware of an existing case that has been postponed 8 times and other cases that have almost a dozen council actions and several years to complete. . . .

We are not directly involved in the CodeNEXT project but do have a number of concerns based on our code work elsewhere. It is essential the budget be found for both mapping and a computerized code. We were surprised to see that this was not in the adopted budget. This appropriation would come from the General Fund and not out of the One- Stop-Shop budget. This is one of the major projects for the Planning and Development Review Department, and as such we believe it is essential that the Department's Director have a major involvement. . . .

The CodeNEXT Code Diagnosis report indicates: . . . “A lack of clarity and consistency in decision-making, interpretation, and review of the code, as well as missing or incomplete code administration information, make for a lengthy and unpredictable review process.” We agree that this is the case. . . .

**DEVELOPMENT ASSISTANCE CENTER**

A review of the results of the employee surveys indicated a very high level of dissatisfaction with how the organization responds to problems and the overall level of communication that exists within the Division. . . .

However, to change the culture of the Division to make Performance Evaluations meaningful, it is necessary to establish expectations for the employees and to have a system in place to monitor performance against those expectations. . . .

A review of records for the month of August 2014 indicated that eight (8) customers waited more than one hour before staff could see them. We would recommend that the reports clarify that the Division’s goal is to achieve this standard at least 90% of the time rather than using an average. Based on our calculations for the month of August 2014 the wait time the Division achieved for 90% of its customers was **24 minutes**. . . .

The results of the employee surveys for this Division indicated that the organization was doing a very poor job of communicating with employees. Employees generally felt that management was not giving them the information that they needed in order to effectively perform their jobs. This included changes in procedures and interpretations that were not being provided in a consistent and timely manner. Additionally, employees complained that problems are frequently ignored and, once identified, are rarely addressed quickly. . . .

**LAND USE REVIEW**

PDRD coordinates with other departments in the administration of the development review and permitting process which is common in many communities. However, there is considerable confusion between the responsibilities and functions of PDRD and the related departments. . . .

Some staff feel that the attorneys tend to want to direct policy rather than simply provide council to the staff. Staff also feel that often the attorneys are slow. On the other hand the attorneys feel that some of the work they are asked to review is not complete. In any case, it is essential that PDRD and the Legal Department function as a team. . . .

## PERMIT CENTER

We generally recommend wait times do not exceed 15 minutes for 90% of the customers. Currently, average wait times for the Permit Center customers is **42 minutes**. The longest is over one hour ranging from 1:28 to 3:23 hours. . . .

The Confidential Employee Surveys for the Permit Center Staff expressed significant frustration about the lack of communication from management and the supervisor. . . .

The scores provided by the Permit Center staff were the lowest of all of the PDRD groups. It was clear from the Permit Center scores that staff had little faith in supervision and management's ability to recognize and resolve important issues impacting the Department's operations. . . .

We feel one of the biggest mistakes municipal organizations make is the practice of placing their least qualified members of staff in a position to be the City ambassador to the public. . . .

There is currently no process in place to conduct routine auditing of each employee's work. . . .

## RESIDENTIAL PLAN REVIEW

The Residential Plan Review group is making strides to expand the level of technical plan review being performed, but the current level is substantially less than that performed by other jurisdictions comparable to Austin in size and complexity. . . .

We generally recommend wait times do not exceed 15 minutes for 90% of the customers. The current wait times the Residential Plan review group to serve 90% of its customers is **1 hour and 3 minutes**. . . .

Staff interviews suggest that the group's performance is again slipping towards accumulating a significant backlog because management has not implemented any fundamental changes. . . .

The Residential Review staff performing zoning reviews state they are frequently unaware of recently implemented changes to the zoning requirements. They often discover these new requirements when a customer advises them that they are not interpreting the zoning code properly. Being alerted to these new requirements by the public rather than through internal communication channels is both embarrassing to staff and seriously undermines their confidence in performing their job. It also erodes customer confidence in the City. . . .

## SITE AND SUBDIVISION INSPECTION

However, the division is fragmented, and while it has a stable and expert staff, it must improve its overall management and administration. . . .

There is basically no formal link or communication between the Land Use (LUR) and SSI Divisions. . . . The two divisions are operating completely independently from each other based on our observations. . . .

## SUPPORT SERVICES, ACCOUNTING, BUDGET & FISCAL SURETY

However, in our staff interviews and questionnaires there is considerable concern about both the transparency and processes being used. Some staff feel that other staff that have a “legacy” background are being given preferential treatment. . . .

We received numerous complaints in the employee surveys indicating that salaries for similar functions or requirements are not consistent. . . .

Other sections of this report including the employee questionnaires, interviews and surveys indicates a high degree of low employee morale and dissatisfaction with management and supervision within PDRD. This should be of concern to the organization. . . .

There has been virtually a total lack of internal training throughout PDRD for a variety of reasons including lack of resources and supervisors and managers not understanding that this is their responsibility. . . .

These statistics match the extensive comments we received from Stakeholders concerning PDRDs lack of returning phone calls. The numbers are so bad that PDRD should be embarrassed.

7 of the 10 Divisions never answered any calls;  
Of the 3 Divisions that did answer calls, only one of them exceeded 50%; and 28% of the callers simply abandoned the call.

To make matters even worse, we have no statistics on how many voice mail calls were answered or how many calls to direct lines were answered. However, based on Stakeholder input, we doubt that the performance is much better.

## BOARDS AND COMMISSIONS

The Chair of this Committee [Board of Adjustment] indicated that he was displeased with the level of staff support the Board was receiving. A review of recent Board agendas and viewing the video of one of their meeting indicated that many items of the agenda had to be postponed

because they either failed to notify all of the required neighbors or they failed to get the notices out on time.

## CUSTOMER PERCEPTIONS

**We note that the negative responses we received in this survey are the worst we have seen in our national studies including many Texas communities. . . .**

But 13 of the question exceed 50% and more. This means that over half of PDRDs customers that completed the survey feel that PDRD is doing a very poor job.

## EMPLOYEE SURVEYS

These are the worst scores we have ever recorded in our various studies. Because they are so extensive, they don't lend themselves to a division by division and question by question analysis. The scores reflect what we heard from employees in the eight employee meetings. Employees are very unhappy about the direction and leadership in the Department. “