



Development CITY OF AUSTIN
SERVICES DEPARTMENT

Building a Better and Safer Austin Together

FY2018-19 Budget Presentation

\$63.6 million
PROPOSED OPERATING BUDGET

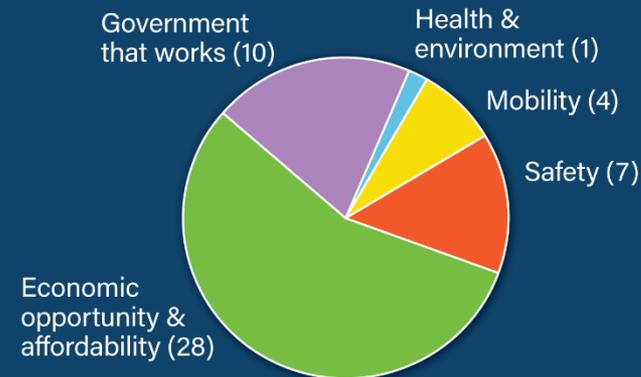
SERVICE ENHANCEMENTS

- Support new technology solutions for online customers, expanded customer support, and training to encourage the use and adoption of new technologies.
- Increased city-wide resiliency to climate change and increased tree canopy cover.
- Increased performance in the development review and inspection processes.
- Critical support positions in finance and human resource functions, including safety oversight for all of DSD employees.

NEW
FULL-TIME POSITIONS

50

Positions By Strategic Outcome



Full Time Positions

49 Fee supported, 1 General Fund

\$4,839,527

Overtime

Additional funding

\$267,000

Temporary Positions

Additional funding

\$349,948

3rd Party Services

Additional funding

\$200,000

SOURCE: GENERAL FUND



Cost of Service Comparison

Residential addition of 1,000 sq.ft. or less in city limits

Fee	FY2018	FY2019 Fully Staffed	Difference
Residential Plan Review, Residential Building Inspections *, and Technology Surcharge	\$1,568	\$1,756	\$188
Residential Tree Plan Review, Residential Tree Inspection, and Technology Surcharge	\$863	\$1,007	\$144

* Building Inspections include Building Permit, Electrical Permit, Mechanical Permit, Plumbing Permit, and Energy Permit.

Creates a Fund Balance Reserve

- Mitigates against future downturns in the economy
- Long-term goal of six months reserve

Adds Transparency to Support 100% Cost Recovery Approach

- Revenues from development fees pay for associated costs
- Transfers from other sources pay for costs that cannot be recouped by fees

Supports an Efficiency Mindset

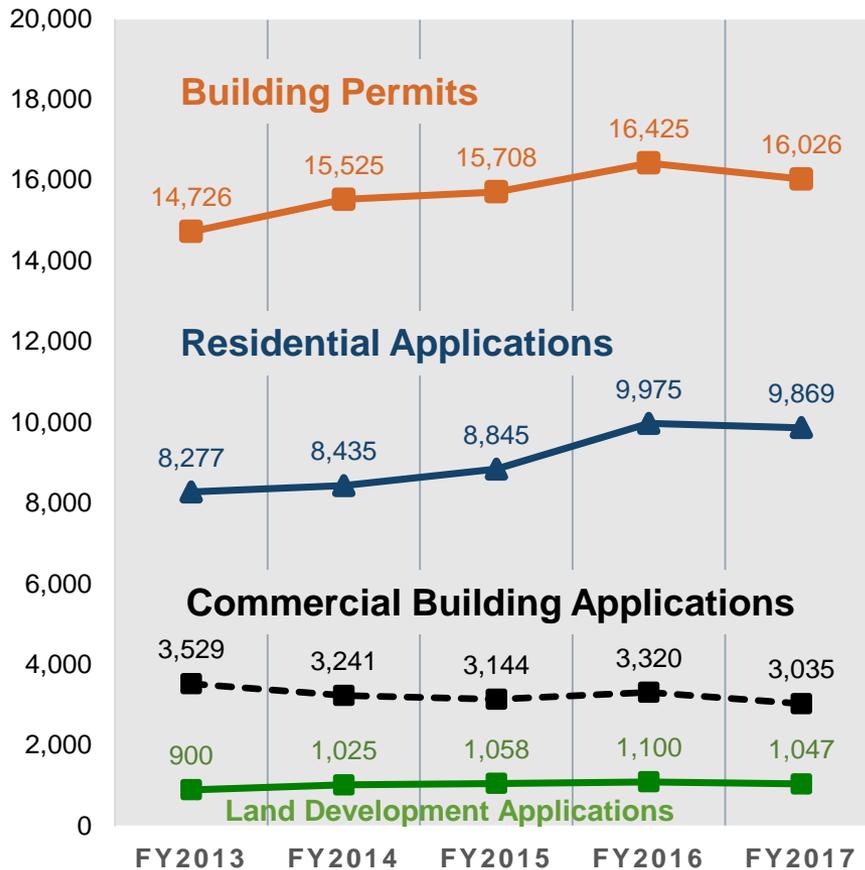
- Enterprise Funds are “business-like” operations
- Resource requests are tempered against economic forecasts

Implements Two Key Zucker Analysis Financial Recommendations

- Separate accounting of revenues and expenses (#17)
- Establish a separate fund balance reserve (#19)

Historical Volume Trends

Permits, Applications, Inspections



FY2013 – FY2017

- Large increases in building inspections and residential applications
- Decrease in commercial building applications and increase in size and complexity
- Overall, activity has been steady



Organizational Resources

Current FY 2017/18

Full Time Employees 362	Temporary Employees 63
Overtime \$518,000 Budgeted	3rd Party Contract \$465,000 Budgeted

RISKS

Turnover of temporary hires

Organizational knowledge loss

Overutilization of overtime

Impact on staff morale

IMPACT

- **Quality and timeliness of reviews**
 - **Customer service ratings**



“Time the process takes to complete”
was ranked as most important
with least satisfaction

Based on customer importance-satisfaction ratings.

Source: 2nd annual 2017 customer satisfaction poll

Influential Factors

Population, Jobs, and Development

Forecasted Population and Job Growth

- Continuous population growth rates (2.11% low to 2.86% high for last seven years) ¹
- 2.5% to 1.25% annual population growth forecasted through 2025 and continued growth through 2045 ¹
- 35,700 metro jobs added in 12 months ending June 2018, a 3.4% growth rate ²
- Metro jobs growth forecast: 30,900 in 2018 and 28,700 in 2019 ²

Apartments

- Occupancy rate down in 2017 (92.2%) compared to 2016 (93.8%) ³
- Occupancy rate forecasted to increase 2019 (92.7%) through 2022 (95.0%) ³
- 114,076 apartments needed in Austin metro by 2030 to meet demand ⁴
 - Comparison: San Antonio metro forecasted to need 53,890 apartments by 2030

Capital Projects, Major Development Areas

- Austin Independent School District \$1.05 Billion 2017 Bond Program
- City of Austin \$720 Million 2016 Mobility Bond Program and proposed \$925 Million 2018 Bond Program
- South Central Waterfront, Domain, Project Catalyst, Downtown High Rises (20), Plaza Saltillo, Colony Park, Goodnight Ranch

Blueprint of Change

2015 - 2017



FRAMING THE DEPARTMENT

6 Pillars of Success

1. Reduce Wait Time
2. Improve Quality Reviews
3. Coordinate Reviews with Partner Departments
4. Invest in Employees
5. Improve Customer Service
6. Enhance Technology

As the department's... by employees, and a... culture, the department's... would guide the department's... specific performance goals... quantitative and qualitative... be assessed monthly, others... the Customer Satisfaction... department provided quarterly... updates to the City... the progress of each pillar.

Thank you

We help our customers navigate the development process by being knowledgeable, accessible, responsive, fair, consistent, flexible, creative and informative.



Source Information

1. Austin, Travis County, and Metropolitan Austin Population History and Forecast 1940-2045; City of Austin, Texas Planning and Zoning Department Demographic Data; <http://www.austintexas.gov/page/demographic-data>.
2. Austin MSA Spring 2018 Economic & Sales Tax Forecast; Jon Hockenyos, TXP.
3. City of Austin Development Applications Forecast; Capitol Market Research, Inc., May 4, 2018.
4. “U.S. Apartment Demand – A Forward Look”; Hoyt Advisory Services, Dinn Focused Marketing, Inc. and Whitegate Real Estate Advisory, LLC; May 2017.