

## Audit Report

# Strategic Direction 2023: Progress on Economic Opportunity and Affordability Outcome

## Issues With Performance Measures, Monitoring and Delays Affected the City's Ability to Measure and Report Progress Towards a Key Strategic Outcome

March 2023



In 2018, the City of Austin created a strategic plan called Strategic Direction 2023 (SD23). This five-year strategic plan guided City efforts and outlined ways to advance equitable outcomes across Austin. While the City included some key elements of best practices for strategic planning, the City did not execute certain critical elements to ensure SD23's success. Specifically, the City did not create and use effective performance measures. Additionally, the City's implementation of the strategic performance dashboard was delayed. The City also did not regularly perform formal monitoring of strategic plan progress. Taken together, these issues made it difficult for the City to measure and report on progress towards the Economic Opportunity and Affordability (EOA) outcome of "having economic opportunities and resources that enable us to thrive in our community."

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Cover: Measuring tape photo by [Patricia Serna](#), accessed from [Unsplash](#)

## Objective

The objective of this audit was to determine if the City effectively developed and implemented Strategic Direction 2023 (SD23) to measure progress towards the Economic Opportunity and Affordability (EOA) outcome.

## Background

The City of Austin conducted research in 2017 which identified four issues the City could address through strategic planning efforts:

- Lack of clear, shared citywide priorities,
- Lack of engagement with critical issues,
- Challenges in effective governance,
- Inadequate feedback and learning loops.

As a result, the City began a multi-stage strategic planning process that resulted in adoption of Strategic Direction 2023 (SD23) on March 8, 2018. SD23 focused on improving quality of life and civic participation in the Austin community. This strategic direction was intended to guide the City’s efforts over the next five years and outlined key ways to advance equitable outcomes across Austin.

Economic Opportunity and Affordability (EOA) is one of six strategic outcome area outlined within the City’s strategic plan.<sup>1</sup> To reasonably limit the scope of this audit and to investigate strategic plan progress on an issue area pressing to many Austinites, this report focused only on efforts the City made to implement and measure progress on the EOA outcome. However, the conclusions drawn from this audit likely apply to the other five outcome areas as well. Additionally, the City is currently in the process of updating its strategic plan so the recommendations contained in this report could be directly addressed in those efforts.

<sup>1</sup> The other outcome areas are “Culture and Lifelong Learning”, “Government That Works For All”, “Health and the Environment”, “Mobility”, and “Safety.”

Exhibit 1: Economic Opportunity and Affordability is made up of challenges, strategies, indicators, and performance measures

# Economic Opportunity and Affordability (EOA) Outcome

“Having economic opportunities and resources that enable us to thrive in our community”

## 4 Challenge Statements

- Help assess environmental factors and identify critical issues
- Example: “As cost of living rises, how might we increase equitably distributed options for household affordability in all parts of town?”

## 12 Strategies

- Actions the City of Austin will take to address identified challenges and “move the needle” on indicators and measures.
- Example: “Acknowledge Austin’s history of racial segregation and counter it by applying an equity perspective to the City’s land development code and associated programs and policies, aligning with community priorities as articulated in Imagine Austin, and ensuring affordable housing options throughout Austin.”

## 6 Indicator Categories

- Group strategic performance measures into issue areas
  - Employment
  - Income equality
  - Cost of living compared to income
  - Housing
  - Skills and Capability of our community workforce
  - Economic mobility

## 35 Strategic Performance Measures

- Used to assess to what degree the outcome is being achieved
- Example: “Number and percentage of residential plan reviews completed on-time”
- See Appendix A for entire list of EOA strategic performance measures

Source: OCA Analysis of SD23 Plan Document and Strategic Performance Dashboard, December 2022

The EOA strategic outcome area is made up of six indicator categories. Each indicator category groups a set of performance measures that were designed to track and report on the progress the City has made in that area. Certain indicators were established as “Top 10” indicators, meaning that they were priority areas for the City and the Council. The EOA outcome area examined in this audit report contains two of these high-priority areas: “Housing” and “Skills and Capabilities of the Workforce.” Lastly, the EOA outcome has strategies the City of Austin should take to address identified the challenges and influence the strategic performance measures for that outcome.

The desired result for the EOA outcome is defined in SD23 as “having economic opportunities and resources that enable us to thrive in our community.” There are ten departments involved in implementing the EOA strategic outcome. Five of the ten departments report to the Economic Opportunity and Affordability Assistant City Manager and have EOA-specific performance measures, including:

- Austin Convention Center<sup>2</sup>,
- Development Services,
- Economic Development,
- Housing & Planning,
- Small & Minority Business Resources.

<sup>2</sup> While administratively under the Economic Opportunity and Affordability management area, the Austin Convention Center Department does not have any EOA specific strategic performance measures.

The other five departments are that not under the EOA Assistant City Manager but were assigned performance measures under the EOA outcome, include:

- Austin Energy,
- Austin Water,
- Austin Public Health,
- Human Resources,
- Financial Services.

The City created an online tool where the public can track all SD23 performance measures called the SD23 Strategic Performance Dashboard. The dashboard is organized by the six strategic outcome areas, which are then broken down by indicator categories and performance measures, as reported by City departments.

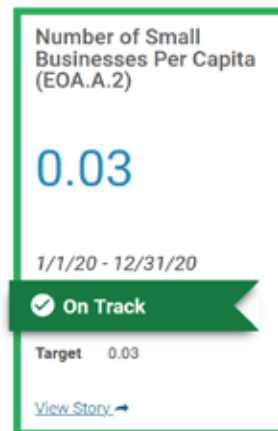
**Exhibit 2: The SD23 Strategic Dashboard is an online tool where the public can track all SD23 Strategic Performance Measures**



## Economic Opportunity & Affordability Outcome

Having economic opportunities and resources that enable us to thrive in our community

### Indicator Category: A. Employment



Source: City of Austin Strategic Performance Dashboard, February 2022

While there is not a single best practice for strategic planning, we used the Government Finance Officers Association (GFOA) "Establishment of Strategic Plans" guidance for this audit.<sup>3</sup> GFAO recommends that all governmental entities use strategic planning to provide a link between budgets and organizational goals.

<sup>3</sup> See <https://www.gfoa.org/materials/establishment-of-strategic-plans>

According to the GFOA, strategic planning is a comprehensive and systematic management tool designed to help organizations:

- Assess the current environment,
- Anticipate and respond appropriately to changes,
- Envision the future,
- Increase effectiveness,
- Develop commitment to the organization's mission,
- Achieve consensus on strategies and objectives for achieving that mission.

**Exhibit 3: The Government Finance Officer's Association (GFOA) recommends organizations include 13 key elements in their strategic planning efforts.**

1. Initiate the Strategic Planning Process

2. Prepare a Mission Statement

3. Assess Environmental Factors

4. Identify Critical Issues

5. Agree on a Small Number of Broad Goals

6. Develop Strategies to Achieve Broad Goals

7. Create an Action Plan

8. Develop Measurable Objectives

9. Incorporate Performance Measures

10. Obtain Approval of the Plan

11. Implement the Plan

12. Monitor Progress

13. Reassess the Strategic Plan

**Green** boxes represent best practice elements followed by the City

**Orange** boxes represent best practice elements that the City had issues executing and are discussed further in Findings 1 & 2

Source: OCA Analysis of GFOA best practices of strategic planning, January 2023

The SD23 plan contains some key elements of best practices for strategic planning, including a mission statement that is adopted from Imagine Austin (the City's Comprehensive Plan), challenge statements that are evidence-based reviews of critical issues facing the Austin community, and six broad goals, labeled as "outcomes", that the City hopes to make progress towards through SD23. The city is currently in the process of updating its strategic plan.



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# What We Found

## Summary

In 2018, the City of Austin created a strategic plan that focused on improving quality of life and civic participation called Strategic Direction 2023 (SD23). This five-year strategic plan guided City efforts and outlined ways to advance equitable outcomes across Austin. While the City included some key elements of best practices for strategic planning, the City did not execute certain critical elements to ensure SD23's success. Specifically, the City did not create and use effective performance measures. Additionally, the City's implementation of the strategic performance dashboard was delayed. The City also did not regularly perform formal monitoring of strategic plan progress. Taken together, these issues limited the ability of the City to measure and report on progress towards a significant outcome area, Economic Opportunity and Affordability (EOA), of "having economic opportunities and resources that enable us to thrive in our community."

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## Finding 1

The City did not effectively create and use performance measures as tools for measuring progress towards the Economic Opportunity and Affordability outcome.

GFOA recommends all organizations identify, track, and communicate performance measures to monitor financial and budgetary status, service delivery, program outcomes, and community conditions

The City of Austin appears to have accomplished several recommended best practice steps for creating a strategic plan as shown in Exhibit 1 above. However, the City did not effectively create and use performance measures to help measure the progress toward achieving the Economic Opportunity and Affordability (EOA) outcome. There are several reasons why performance measures were not effective. First, more than half of all EOA performance measures are "community indicators," which are broad community statistics and not ideally suited to serve as performance measures. Also, many measures do not have targets. Additionally, there were issues with the timeliness of reported data and the use of certain statistics to support performance measures. Lastly, while SD23 mentions a commitment to measuring equity, less than a quarter of EOA performance measures can be segmented by key equity related characteristics to understand progress through an equity lens. Taken together, these issues limit the ability of the City to use the performance measures to measure and report on progress toward the EOA outcome.

### Economic Opportunity and Affordability Community Indicators Are Not Well Suited To Serve As Performance Measures

The performance measures in SD23 are a combination of "community indicators," which track community information that is not specific to City efforts, and "City of Austin (COA) contributions" which reflect direct results achieved by City initiatives and services. Examples of COA contribution measures are "percentage of residential plan reviews completed on time" and "number of small businesses supported by City of Austin programs." Examples of community indicators are the "percentage unemployment rate" and "median house value."

Our analysis of EOA performance measures showed that 54% are labeled as community indicators. In our survey of the department teams that

provide data for EOA performance measures, 72% of the 32 respondents agreed or strongly agreed that community indicators might be better suited on a separate site that hosts information about the community. Of the comments related to performance measure effectiveness collected by this survey, the majority (83%) were negative in sentiment. These responses expressed a desire by department staff to use performance measures that were more reflective of their work and areas where the City can make a tangible, measurable impact. Some related comments include:

- “Community indicators belong in another report, they could be referenced as a part of strategic direction, but they are confusing to the public because we cannot allocate more resources to “move the needle” on them. It makes us look bad and erodes public trust as this is seen as a report card by many. We need to focus on fewer indicators, not clutter it with more.”
- “The measure tells where we are, but the public can’t translate our work into actions that affect the measure.”

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Many respondents for our survey felt that community indicators were helpful and important contextual information, but they wanted to draw a distinction between broad statistics and performance measures that the City can directly move the needle on. Some related comments include:

- “Making progress on the community indicators requires significant coordination, so including them as part of the City’s performance measures seems inappropriate. A separate site that includes the community measures and context and general information would be helpful.”
- “This is important data but does not tie directly to the performance of my department.”

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The Government Finance Officers Association suggest that Performance measures should be:

- Relevant - “measures can be clearly linked to the service delivery/program outcomes”
  - Useful - “measures should provide information that is helpful to decision making, understanding, or accountability efforts.”
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The Government Finance Officers Association (GFOA) guidance on effective performance measures suggests that performance measures should be both relevant – “measures can be clearly linked to the service delivery/program outcomes” and useful – “measures should provide information that is helpful to decision making, understanding, or accountability efforts.” While community indicators track important information about the community, they are not well suited to serve as performance measures. Because they are not clearly linked to service delivery and program outcomes, they are not especially useful in helping stakeholders and the public understand a department’s contributions towards achieving the strategic plan outcomes.

#### Many Economic Opportunity and Affordability Strategic Performance Measures Lacked Targets

The GFOA recommends that strategic plans include measurable objectives and performance measures that provide information on whether goals and objectives are being met. Currently, the status of each SD23 performance measure is available on the City’s SD23 Strategic Performance Dashboard.

Our analysis of the status of all 35 EOA strategic performance measures for fiscal year 2021, showed that 49% of all measures did not have an associated target. 31% of the measures that are labeled as “COA contributions” did not have targets. Since these measures are more directly tied to outcomes of City programs and services, the City should be better positioned to develop and set targets. For the performance measure that fall under the top ten indicator categories, “Housing” and “Skills and Capability of our Community Workforce”, 39% did not have any associated target information. Because these measures were established as key areas the City wanted to influence, the lack of targets makes in very difficult to determine where the City has been successful or where more effort is needed.

The primary reason why so many measures lack targets is because a large percentage of measures in the EOA outcome area are “Community Indicators.” Because they are broad statistics about the community, appropriate targets are difficult to determine. For example, a higher median house value, a previously mentioned EOA performance measure, could be a good thing, in the sense that Austin housing is a valuable asset and property tax income will be stable for local government. However, higher home values also mean that purchasing a home is more difficult for low- and moderate-income Austin residents. For COA contribution measures that lacked targets, staff reported that their strategic performance measures do not have targets because they lacked clear policy direction of what the target should be.

**Exhibit 4: Almost 50% of all Economic Opportunity and Affordability performance measures lack targets**

Measure Group Name	Number of Measures Without Targets	Number of Total Measures Within Group	Percentage Without Targets
All EOA Measures	17	35	49%
EOA Measures Labeled as “COA Contribution”	5	16	31%
EOA Measures Labeled as a Top Ten Indicator	5	13	39%

Source: OCA Analysis of SD23 Strategic Performance Dashboard, August 2022

Without target information for roughly half of all EOA measures, the performance measures do not provide vital information about the progress the City has made towards its established outcome. Because there are no targets, departments are not able to demonstrate if they are on, near, or off target. This prevents the City from using the performance measure information to change strategies or increase funding to move the needle on underperforming areas. Instead of serving as a tool to understand performance, the data is simply being recorded, with no opportunities to change strategies or hold City departments accountable.

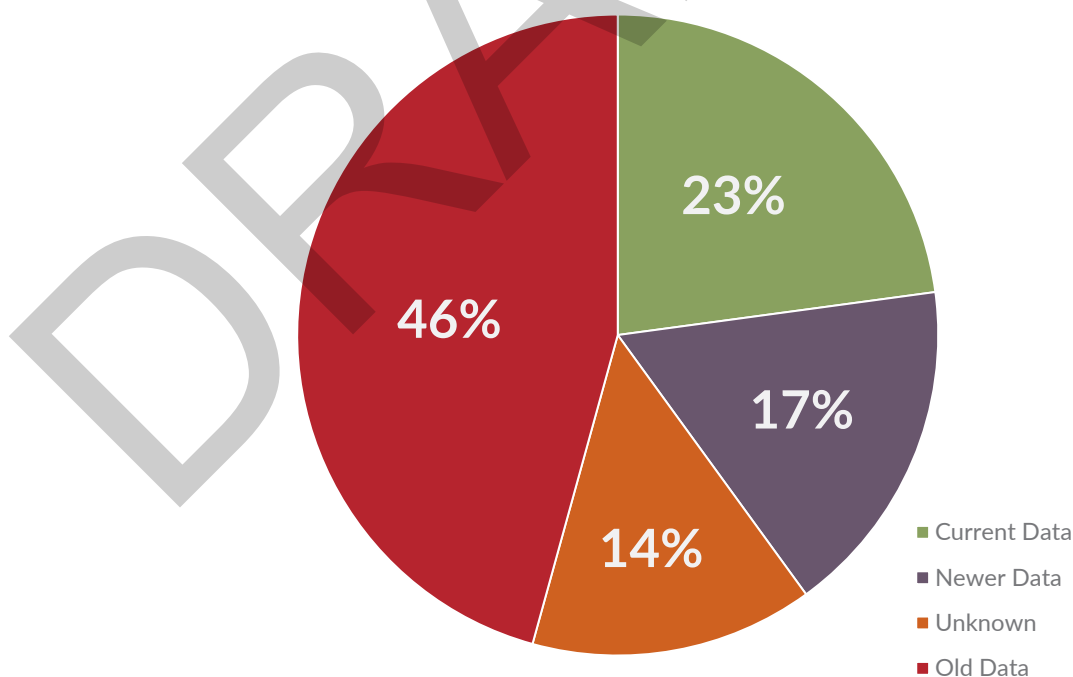


### Issues with Timeliness of Performance Measures

As stated above, the Government Finance Officers Association (GFOA) recommends that performance measures should be useful, which in part means measures should be kept updated with recent information. Additionally, they mention that the design of strategic performance measures should account for the availability of existing data sources or the need for new systems.

During our review of SD23 strategic performance measures, we found that City departments submit their performance measure updates for the SD23 Strategic Performance Dashboard according to an established schedule for each measure. Departments are asked to submit data for the prior period. Departments are also responsible for ensuring data quality and accuracy. Our analysis of all EOA performance measures for fiscal year 2021 showed that only 23% of measures displayed data that covered the most recently completed fiscal year. Further, 60% of measures displayed data from a period that was older than the most recently completed fiscal year or did not display which period the data covered. This means that stakeholders did not have access to up-to-date information on more than half of all EOA performance measures.

**Exhibit 5: 60% of SD23 strategic performance measures displayed data from a period that was older than the most recently completed fiscal year or did not display which period the data covered.**



Source: OCA analysis of SD23 Strategic Performance Dashboard, August 2022

As a part of this audit, the department teams that support EOA SD23 performance measures were surveyed and asked about the data quality of SD23 performance measures. 24 comments received through the survey addressed the theme of data quality. The majority (67%) expressed negative opinions about the data quality of performance measures.

Comments expressed concerns about the use of third-party data, the sufficiency of data updates, and whether the data accurately reflected the work of their department. Another concern shared by multiple staff members was about the initial design and number of strategic performance measures. They noted that the large number of measures made it more difficult to track and the design of certain measures forced departments to use data sources that could not be updated annually or were published on a delay compared to the City's reporting periods.

#### Issues with Using Third Party Data to Support Performance Measures

We also found that some performance measures presented United States Census Bureau data in a manner that does not align with the bureau's recommended guidance. The United States Census Bureau has published guidance on how to interpret and use its various datasets, including estimates from the American Community Survey (ACS). The ACS provides valuable statistical information about communities across the United States, but users of this data must take special care to properly present these estimates and statistics, especially when the information is meant to be used to understand City performance and to make important decisions about City resources. Out of the 35 EOA strategic performance measures, our analysis found that there were at least three instances in which the use of ACS statistics does not appear to follow recommended guidance, as shown in Exhibit 6 below.

**Exhibit 6: The City's use of US Census Bureau statistics for some performance measures does not follow recommended guidance**

Measure	Issue Noted	Recommended Guidance from U.S. Census Bureau
Distribution of household income (EOA.B.2)	Using 5-year estimate statistics but reporting annually	User should use extreme caution in making comparisons with consecutive years of multiyear estimates
Number and percentage of Census tracts that are economically and/or racially segregated (EOA.B.4)	Using 5-year estimate statistics but reporting annually	User should use extreme caution in making comparisons with consecutive years of multiyear estimates
Number and percentage of residential units that are considered vacant (EOA.D.2)	Mixing ACS statistics and 2020 Census figures	ACS and Census differ in their design, users should not compare ACS with 2020 Census

Source: OCA analysis of SD23 Strategic Performance Dashboard, August 2022

Using ACS information differently than recommended by the US Census Bureau may misrepresent the progress the City has made toward outcomes. It is also important to note that all three of the performance measures that do not follow recommended guidance are community indicators. This issue further underlines why community indicators are not well suited to serve as performance measures.

## Peer City Practices With Performance Measures

Our team conducted peer research to better understand strategic planning best practices. During our conversations with representatives from San Diego, Raleigh, and Colorado Springs, cities we identified to have short-term strategic plans, we heard several noteworthy practices which may be useful for the City of Austin to consider. These cities have a process for ensuring data quality and accuracy that does not solely rely on city departments.

- San Diego's Performance & Analytics Department facilitates data collection for departments and conducts a quality assurance/quality control review of data. They also directly receive performance measure data from the departments' respective systems and its queries ensure accuracy in keeping with best data management and analysis practices.
- Raleigh's Office of Strategy and Innovation has two full-time staff positions that are dedicated to managing their strategic plan and providing support as needed. The two position titles are a Strategy & Impact Manager and a Senior Strategic Planning and Performance Analyst. These employees compile summary reports that include the updated performance measures and connect with department data owners if reported measures seem inaccurate.
- Colorado Springs has a Strategic Plan Analyst who reviews all submitted information and schedules one-on-one meetings with each department to talk through any discrepancies or concerns. Additionally, Colorado Springs has a Strategic Advisory Team that consists multiple department representatives that are responsible for keeping their department focused on meeting regularly with their respective teams to discuss performance progress and challenges, informing them of on-going strategic plan activities, and representing their strategic interests.

### About 25% of Strategic Performance Measures Can be Use to Measure Equity Impact, But More Than Half of Measures Lack The Necessary Data To Determine if Strategic Efforts Advanced Equitable Outcomes

Within the SD23 document, the City of Austin discusses the importance of strategic planning with equity in mind. In a section of the plan describing the City's "Adaptive Philosophy," the document states that "as we measure performance, we are committed to segmenting data by race/ethnicity, age, gender, income, geography, and more whenever possible to understand how well performance is being achieved from an equity standpoint."

In a section of the City's SD23 plan describing the City's "Adaptive Philosophy," the document states that "as we measure performance, we are committed to segmenting data by race/ethnicity, age, gender, income, geography, and more whenever possible to understand how well performance is being achieved from an equity standpoint."

The SD23 document states that "to advance equitable outcomes, the City of Austin is leading with a lens of racial equity and healing. Race is the primary predictor of outcomes, and it is time to recognize, understand, and address racism at its various levels: personal, institutional, structural, and systemic."

As described in the City's adaptive philosophy above, it is important to be able to break down performance measures by race/ethnicity to observe performance across different racial groups in order to understand how equitably progress is being made. Despite this, only 23%, or 8 of the 35 total EOA measures, include information that can be broken down by race/ethnicity on the SD23 dashboard.

Some SD23 performance measures that currently cannot be broken down by race could have been segmented by race/ethnicity as written, such as:

- "percentage unemployment rate"
- "median family income."

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Other measures may not make sense to directly segment by race as written but could have been adjusted to allow for an equity analysis, for example:

- “number and percentage of commercial and mixed-use plan reviews completed on time”
- “number of subsidized and incentivized rental units considered to be affordable.”

Opportunities for equity analysis may not have been fully considered or prioritized while designing these measures. For example, performance measure about plan reviews completed on time could have been segmented by the zip code of the locations of the proposed commercial and mixed-use plans, to understand if there are differences in completion times across communities. Depending on available data, performance measure about affordable housing could have been broken down by the race/ethnicity of the tenant in measured units, or the information could have been segmented by the zip code of the rental’s location to understand which Austin communities have accessible affordable housing.

### Peer City Practices With Equity-Based Performance Measures

Based on our research, we found that the City of Dallas’s Racial Equity 2022-23 plan provides an approach to strategic planning with equity at the forefront.<sup>4</sup> This plan may be useful for the City of Austin to review strategic planning approaches to advance equitable outcomes for the Austin community. The plan features five long-term racial equity vision statements that are similar to the six strategic outcome areas featured in Austin’s SD23. However, short-term performance measures are not only assigned to specific departments to complete, but they also are designed to:

- Specifically name a historically disadvantaged community,
- Identify a baseline that provides a current or most recent status of the measure,
- Specify a 3-5 year goal that includes the completion year

To achieve the long-term vision of equitable economic development, workforce, and community development, Dallas departments have been assigned the following performance measures:

- Development Services: “decrease average number of days to complete first review of residential permit application in equity priority areas from 12 to 4 weeks by March 2024”
- Economic Development: “Increase the number of affordable housing units created or retained through economic development incentive programs from 75 in [fiscal year] 2021 to 300 in [fiscal year] 2027 in High Opportunity Areas.”
- Housing & Neighborhood Revitalization: “complete revisions to the Comprehensive Housing Policy based on the Equity Audit by December 2022.”

These performance measures are clearly assigned to departments such that they can be held accountable for their progress. Additionally, these performance measures reflect tangible goals that departments can accomplish within the assigned timeline in pursuit of achieving a broader vision.

## Finding 2

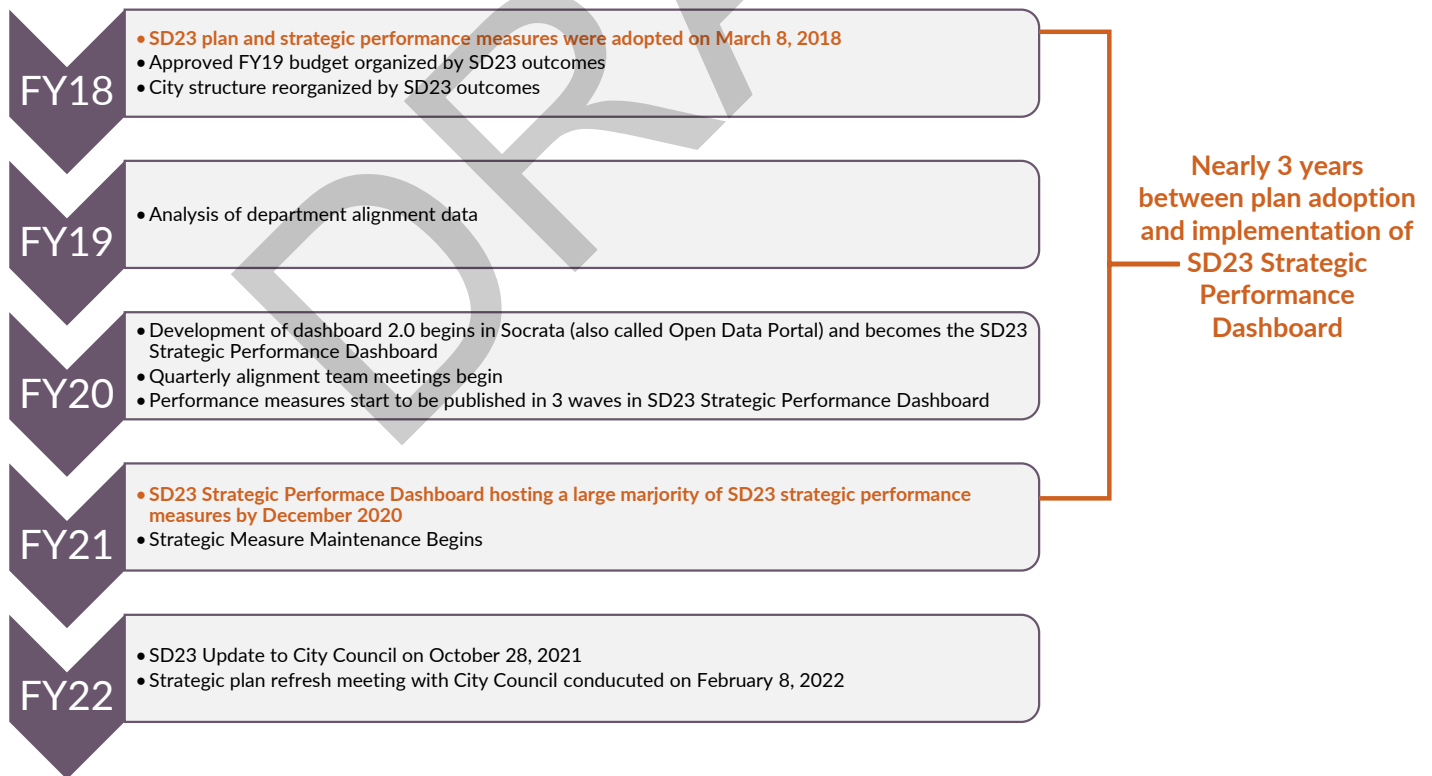
The City's delay in implementing SD23 and the lack of formal monitoring limited its ability to assess and report progress towards the Economic Opportunity and Affordability outcome.

In addition to guidance about performance measures, the GFOA also recommends that organizations should promptly implement key elements of a strategic plan and monitor the results of the related strategic efforts. In our review of SD23, we found that the City's implementation of the strategic performance dashboard was delayed, and the City did not regularly perform formal monitoring of strategic plan progress. Both departures from recommended guidance reduced the City's ability to measure progress toward EOA outcomes.

### The City's Implementation Of The Strategic Performance Dashboard Was Delayed

The SD23 strategic plan and performance measures were adopted by City Council on March 8, 2018. However, the development of the dashboard did not start until approximately two years after adoption of the plan. The SD23 Strategic Performance Dashboard was developed in three waves starting in March 2020 and ending in December 2020. The preliminary version of the dashboard launched in May 2020 with about 101 out of the planned 210 measures. In January 2021, the City reported that most measures were functional on the dashboard. Taken together, the final version of the Strategic Performance Dashboard that is in use today took over two and a half years to implement.

**Exhibit 7: There were two and a half years between plan adoption and the completion of the SD23 Strategic Performance Dashboard.**



Source: OCA Analysis of SD23 Strategic Plan Implementation, January 2023



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The GFOA recommends that the action plan describes how strategies will be implemented and includes activities and services to be performed. Organization stakeholders should work together to implement the plan. Moreover, the strategic plan should drive the operating budget, the capital plan, and the government's other financial planning efforts.

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Organizations should create an action plan that describes steps to achieve goals and the related timeline. Because the implementation of key aspects like the SD23 Strategic Performance Dashboard of the strategic plan were delayed, the associated performance measures that were adopted at the same time as the plan itself were not available to be reviewed. This meant that stakeholders and the public could not regularly review strategic performance measure data for almost three years of a five-year strategic plan. The delay also limited the City's ability to assess progress and hold departments accountable for their performance. Assessing progress could have provided opportunities to better understand where the City needed to change course or strategy.

#### The City Did Not Regularly Perform Formal Monitoring Of Strategic Plan Progress

The GFOA recommends that the progress toward planned goals should be monitored at regular intervals and organizations should develop a systematic review process to evaluate if strategic goals have been met. This is because it can help organizations identify bottlenecks in operations, strengthen accountability, and foster greater transparency with the community.

We found that the City has not formally presented performance measure updates and plan progress on a regular basis. The only formal monitoring meeting held throughout the 2018-2023 life of the SD23 plan was a work session with City Council on October 28, 2021. There are no additional progress check-in meetings scheduled for SD23.

The delay in developing the performance dashboard appears to have prevented City staff from conducting regular check-in meetings with elected officials and making information about performance measure progress available to the public. There was little to no publicly available information on SD23 performance measures and progress towards achieving SD23 EOA outcomes until December 2020, when the strategic performance dashboard was mostly operational and all departments had gone through the necessary steps to publish their assigned measures. Additionally, the SD23 document itself does not include information about how the progress towards strategic outcomes would be monitored. There was no pre-established review process or plan to hold meetings to regularly check-in and report on plan progress. The lack of formal monitoring of SD23 plan progress limited the ability of stakeholders and the public to assess progress towards outcomes and hold departments accountable for their performance.

#### Peer City Practices With Formal Monitoring of Strategic Plan Progress

Based on our conversation with cities with short-term strategic plans we noted that Colorado Springs presents their strategic plan's progress at least once a year.

- Colorado Springs shares department strategic plan successes three times a year with the city's mayor, senior officials, and all City staff. The City also publishes strategic plan performance measure success stories on its open data site on a quarterly basis which is accessible 24/7 by all internal City team, stakeholders, and constituents.

# Recommendations and Management Response

1

To ensure the City can effectively measure progress towards outcomes, the Chief Financial Officer should work to discontinue the use of “Community Indicators” strategic performance measures to ensure all measures are within the City’s span of control. As part of this removal, the CFO should consider alternative locations for this information such as working with the City Demographer to host this information online that ensures it is properly contextualized and available to the public and City stakeholders.

**Management Response:** Agree

**Proposed Implementation Plan:** As FSD continues work on the new strategic plan, we will work across the organization to ensure measures that are developed and incorporated in the plan are within the City’s span of control. Consistent with the interest and need to understand community health and indicators of success, the City Demographer has developed a demographics dashboard. The dashboard continues to report information shared through SD23 community indicators as well as additional insights and statistics that will help inform the public, City staff and stakeholders. The dashboard debuted December 2022 and will be updated annually. The dashboard can be found at the following URL and contains a request for additional information link at the bottom of the page - [austintexas.gov/demographics](https://austintexas.gov/demographics).

**Proposed Implementation Date:** December 2023

2

To ensure the City can effectively measure progress towards outcomes by using a limited number of performance measures that follow best practice guidance, the Chief Financial Officer should work with City departments to:

- a. Design all performance measures to have clear, quantifiable targets
- b. Design all performance measures in a way that they can be updated regularly throughout the life of the strategic plan,
- c. Increase the amount of strategic performance measures that can be disaggregated by equity-related characteristics or can otherwise be segmented to view progress on strategic outcomes through an equity lens,
- d. Maintain the strategic measure dashboard with measures updated at regular intervals to enable the public and City stakeholders to have access to the most recent data,
- e. Follow recommended best practices regarding the use of data gathered from third-party sources (e.g., US Census Bureau) when using this information to report performance measures.

**Management Response:** Agree

**Proposed Implementation Plan:** In agreement with this recommendation, the City will continue to focus on developing measures that follow the guidelines listed. FSD agrees that a dashboard which showcases the highest priority measures of success within our influence must be reported in a way that is informative to the public and City stakeholders as well as is accurate and maintainable with the community’s best interests in mind.

**Proposed Implementation Date:** December 2023

3

To provide opportunities to identify potential improvements in operations, take accountability actions, and foster greater transparency with the community, the Chief Financial Officer (CFO) should develop a plan to periodically review and report the City's progress on strategic plan outcomes to City stakeholders and the public.

**Management Response:** Agree

**Proposed Implementation Plan:** Upon completion and implementation of the next strategic plan, FSD proposes regular reporting and progress review with executive management and internal stakeholders in order to ensure advancement on key City priorities. FSD will also lead efforts to provide annual updates on the plans progress as a tool to inform policy decisions and budget development.

**Proposed Implementation Date:** June 2024

DRAFT

## Appendix A: List of All 35 Economic Opportunity and Affordability (EOA) Performance Measures\*

Indicator Category	Measure	Indicator Type	Assigned Department	Measure ID
A. Employment	Percentage unemployment rate	Community Indicator	FSD Budget Office	EOA.A.1
A. Employment	Number of small businesses per capita	Community Indicator	Economic Development Department	EOA.A.2
A. Employment	Number and percentage of commercial and mixed-use development permits that are issued in Imagine Austin Activity Centers and Corridors	COA Contribution	Development Services	EOA.A.3
A. Employment	Number and percentage of commercial and mixed-use plan reviews completed on-time	COA Contribution	Development Services	EOA.A.4
A. Employment	Percentage of prime contractors that meet solicitation goals (at time of award) through the utilization of certified minority-owned, women-owned, and disadvantaged businesses on applicable City of Austin contracts set by the Small and Minority Business Resources (SMBR) Department.	COA Contribution	Small and Minority Business Resources	EOA.A.5
A. Employment	Number of small businesses supported by City of Austin programs	COA Contribution	Economic Development Department	EOA.A.6
B. Income Equality	Number and percentage of residents living below the poverty level (poverty rate)	Community Indicator	Housing and Planning Department	EOA.B.1
B. Income Equality	Distribution of household income	Community Indicator	Housing and Planning Department	EOA.B.2
B. Income Equality	Number and percentage of Census tracts meeting criteria for R/ECAP (Racially/Ethnically Concentrated Areas of Poverty)	Community Indicator	Housing and Planning Department	EOA.B.3
B. Income Equality	Number and percentage of Census tracts that are economically or racially segregated	Community Indicator	Housing and Planning Department	EOA.B.4
B. Income Equality	Number of jobs provided by City of Austin (regular, contract, and temporary employees) that do not pay a living wage	COA Contribution	Human Resources	EOA.B.5
B. Income Equality	Median family income	Community Indicator	FSD Budget Office	EOA.B.6
C. Cost of Living Compared to Income	Percentage of households paying more than 30 percent (and more than 50 percent) of income toward housing	Community Indicator	Housing and Planning Department	EOA.C.1
C. Cost of Living Compared to Income	Dollars-per-hour wage that an individual must earn to support a family in Austin	Community Indicator	Economic Development Department	EOA.C.3

Indicator Category	Measure	Indicator Type	Assigned Department	Measure ID
C. Cost of Living Compared to Income	Number and percentage of residential units permitted in Imagine Austin Activity Centers and Corridors	COA Contribution	Development Services	EOA.C.4
C. Cost of Living Compared to Income	Austin Energy average annual system rate	COA Contribution	Austin Energy	EOA.C.5.a
C. Cost of Living Compared to Income	Percent of median household income spent on the average annual residential Austin Water bill	COA Contribution	Austin Water	EOA.C.5.b
C. Cost of Living Compared to Income	Dollar amount and percentage increase of major rates and fees for a range of customer types	COA Contribution	FSD Budget Office	EOA.C.5.c
C. Cost of Living Compared to Income	Number and percentage of residents living in an area considered to be a "Complete Community" (i.e. a community where people's basic needs/essential services can be met with short trips)	COA Contribution	Housing and Planning Department	EOA.C.6
D. Housing**	Number of unsubsidized affordable market-rate rental units* (*Note: Tracked in relationship to Strategic Housing Blueprint targets)	Community Indicator	Housing and Planning Department	EOA.D.1
D. Housing**	Number and percentage of residential units that are considered vacant	Community Indicator	Housing and Planning Department	EOA.D.2
D. Housing**	Median house value	Community Indicator	FSD Budget Office	EOA.D.3
D. Housing**	Number of subsidized and incentivized rental units considered to be affordable*	Community Indicator	Housing and Planning Department	EOA.D.4
D. Housing**	Number and percentage of residential plan reviews completed on-time	COA Contribution	Development Services	EOA.D.5
D. Housing**	Number and percentage of newly constructed housing units that are in a range of housing types from small lot single-family to eight-plexes* (*Note: Tracked in relationship to Strategic Housing Blueprint targets)	COA Contribution	Housing and Planning Department	EOA.D.6
D. Housing**	Ratio of residents whose income is less than 60 percent median family income (MFI) residing in the City of Austin to residents whose income is less than 60 percent MFI residing in the Greater Austin Metropolitan Statistical Area.	Community Indicator	Housing and Planning Department	EOA.D.7
F. Skills and Capability of our Community Workforce**	Number and percentage of students graduating from high school (including public, charter, private, and home schools and students earning high school equivalent if data is available)	Community Indicator	Austin Public Health	EOA.F.1
F. Skills and Capability of our Community Workforce**	Number and percentage of students attending schools rated as "F" by the Texas Education Agency	Community Indicator	Austin Public Health	EOA.F.2
F. Skills and Capability of our Community Workforce**	Number of apprenticeship and internship positions offered by City of Austin	COA Contribution	Human Resources	EOA.F.3



Indicator Category	Measure	Indicator Type	Assigned Department	Measure ID
F. Skills and Capability of our Community Workforce**	Number and percentage of people who successfully complete Workforce Development training	COA Contribution	Economic Development Department	EOA.F.4
F. Skills and Capability of our Community Workforce**	Number and percentage of digital inclusion program participants who report improved digital skills	COA Contribution	FSD Telecommunications and Regulatory Affairs	EOA.F.5
F. Skills and Capability of our Community Workforce**	Number and percentage of children enrolled in high-quality Early Childhood Education programs (as evidenced by meeting National Accreditation and/or Texas Rising Star 4 Star level criteria)	Community Indicator	Austin Public Health	EOA.F.6
G. Economic Mobility	Number and percentage of leased dwelling units with look-back periods meeting a local fair housing standard (Note: Intent is to measure support for successful re-entry of ex-offenders and people with criminal history, focusing on housing access in public and private multi-family housing)	Community Indicator	Housing and Planning Department	EOA.G.2
G. Economic Mobility	Number of persons moved out of poverty into middle-skill jobs	Community Indicator	Economic Development Department	EOA.G.3
G. Economic Mobility	Number of households benefitting from Customer Assistance Program (CAP)	COA Contribution	Austin Energy	EOA.G.4

\*Originally, indicator “E. Homeslessness” and the associated performance measures were listed under the Economic Opportunity and Affordability outcome, but was later administratively moved to the Health and the Environment outcome after the plan was adopted.

\*\*Indicator was selected as a top 10 indicator across the entire Strategic Direction 2023 plan.

Source: SD23 Plan Document and Strategic Performance Dashboard, December 2022

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## Scope

The scope of this audit included City's practices relating to development and implementation of the Strategic Direction 2023 Plan for the Economic Opportunity and Affordability outcome for the period of Council adoption of SD23 to November 2022

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## Methodology

To complete this audit, we performed the following steps:

- Interviewed staff from Financial Services Department, Housing and Planning Department, Development Services Department, Small and Minority Business Resources, Austin Convention Center, and the City Demographer
- Reviewed City's Strategic Plan 23 related to Economic Opportunity and Affordability outcome, various Alignment Manager meetings, and City Council workshops on SD23 and future strategic planning efforts
- Reviewed best practices provided by Government Finance Officers Association for the strategic planning and performance measures; reviewed best practices related to the use of American Community Survey results published by the U.S. Census Bureau
- Surveyed Strategic Alignment Teams (94 received survey, 32 responded, completion rate of 34%) who support performance measures related to Economic Opportunity and Affordability outcome of SD23
- Analyzed fiscal year 2021 City's SD23 Strategic Performance Dashboard related to measures and indicators within the Economic Opportunity and Affordability outcome of SD23 for timeliness, equity considerations, target information, and use of data
- Conducted a review of selected cities for their strategic planning practices
- Evaluated internal controls related to the City's practices for development and implementation of SD23 plan
- Evaluated the risk of fraud, waste, and abuse for the City's practices for development and implementation of SD23 plan

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## Audit 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.

The Office of the City Auditor was created by the Austin City Charter as an independent office reporting to City Council to help establish accountability and improve City services. We conduct performance audits to review aspects of a City service or program and provide recommendations for improvement.

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