Community Development – Planning Division Report

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EXECUTIVE SUMMARY

The Internal Audit Office (IAO) has completed a review of the Community Development, Planning Division (CD-PD). The objectives of the review were to:

- determine if selected CD-PD policies, procedures, processes, and operations – including those surrounding development application intake and processing - are designed and executed in a manner to achieve consistency and compliance with existing and applicable codes, laws, and regulations,
- analyze and assess the adequacy and effectiveness of internal processes, policies, and procedures (including those related to application intake and processing, training, and document retention and maintenance), and
- evaluate the adequacy, effectiveness, and efficiency of staffing procedures and methodologies.

The review was included in the approved fiscal year 2017/2018 audit plan and carried over to fiscal year 2018/2019. We express our appreciation staff and management for their significant time commitment and cooperation during this review.

BACKGROUND

As noted on the City of Tempe website, the Community Development Department "*plans the long-range future of Tempe land for transportation corridors, business districts and residential areas as well as administering permits and oversight of current construction and maintenance of private properties.*" Specifically, the CD-PD "*assists customers through the development entitlement process such as use permits, variances, development plans and land division approvals per the General Plan and Zoning and Development Code; processes change or adoption of codes and ordinances; facilitates the rules and regulations applicable to new development, redevelopment, construction, and property conservation, signs; and provides administrative support for boards, commissions, and City Council.*"

The Community Development Department – headed by the Community Development Director – is made of 5 divisions: building safety, special projects, neighborhood services, code compliance, and planning. Currently, there are 14 regular staff in the CD-PD including a Deputy Director and 13 full-time staff. In addition, there is 1 full-time temporary, 1 part-time temporary, and 4– 6 interns per semester. The temporary positions and interns play a key role in managing the workload of the planning department; because these positions are not guaranteed from year-to-year, there is a continued risk that operations would be significantly hampered if these positions were eliminated.

Planning applications decreased from 468 in 2016 to 441 in 2017, the complexity of development and application review requirements have steadily increased, and signs and business activity are on record highs. This increase in activity will likely continue for the foreseeable future as "*Tempe is expected to grow by more than 55,000 new residents and to add nearly 75,000 new jobs by 2040*" (City of Tempe, General Plan, 2040).

SUMMARY

CD-PD staff are extremely competent, diligent, and understand and appropriately apply provisions and requirements of the General Plan and Zoning and Development Code (ZDC). Generally, CD-PD planning application processes are designed and executed in a manner that achieves compliance with existing codes and records retention/maintenance for the various applications (cases) is adequate to achieve consistency and compliance with applicable codes.

In some cases, internal processes and procedures were not designed or executed in a manner to achieve efficiency and effectiveness, certain procedures required updating, and overall organization of policies and procedures requires improvement. In addition, the increase in volume and complexity of work, and the limited staffing, increase the necessity to analyze how staff time is used and determine the optimal staff configuration. Specific conditions needed to be addressed include:

- The "universal" project submittal application and checklist currently in use is not tailored for the specific planning project/request.
- Technological enhancements to improve efficiency and effectiveness in planning processes and operations have not been implemented;
- The time frame for the application review is not consistent and does not always allow for thorough and effective review of applications and materials.
- The "completeness check" process design does not consistently ensure a thorough review is conducted.
- Policies and procedures were incomplete, outdated, and of limited usefulness and not organized in a manner that facilitates easy retrieval.
- Planning staff time is not consistently used effectively or appropriately, and planner's workloads are not consistently analyzed for optimal outcomes.
- Intern assignment guidelines, workloads, priorities, and training is not clearly defined in a development plan to help ensure a successful internship experience and guide how the intern will be best used.

CONCLUSION

Overall, there are opportunities to significantly improve CD-PD operations and processes that could positively impact the planning staff and applicants. Fully addressing issues noted will require collaboration and cooperation with CD-PD leadership, management, and staff. The IAO welcomes inquiries and is available to discuss solutions and aid upon request.

Detailed results – including the audit scope and methodology – are included below. The conditions that represent the most significant risks to the CD-PD are included (beginning on) page 2 in the detailed results section. Other items and issues of less significance will be reviewed separately with CD-PD management.

DETAILED RESULTS

AUDIT SCOPE AND METHODOLOGY

To address the objectives noted above, the IAO interviewed the CD Planners and staff individually and in group meetings and to document and outline the various development application processes, practices, and procedures. In addition, the IAO reviewed:

- select CD-PD standard operating procedures, and other written policies and procedures and related to the varied development processes, for completeness and consistency with actual practices;
- relevant chapters from the City of Tempe's Zoning and Development Code to determine if planning processes, practices, and procedures were consistent with those set forth in the Code;
- planning application (case) case documentation for completeness, compliance with requirements, and proper retention;
- available staffing workload analysis documentation, and any records or documents related to staffing procedures, assignments, workloads, and staffing needs (including 2018/2019 Operating Budget Supplemental Request Forms);
- staffing information from planning divisions in other jurisdictions to compare to CD-PD staffing levels and organizational structure;
- training and work plans for CD-PD interns to determine training provided and if work schedules and duties meet the needs of the division; and
- training plans and records for planning staff to determine if training is appropriate and adequate and designed to enhance the service the stakeholders receive.

Condition #1

The "universal" project submittal application and checklist currently in use is not tailored for the specific planning project/request.

Application packets should be tailored to the planning approval requested and provide the applicant with clear descriptions of requirements, instructions, a timeline for the specific process; and a comprehensive list of documents required.

Applications specifically tailored to the planning project/request can help to improve efficiency for planners and applicants and can help to decrease the risk of confusion and potential delays.

NOTE: After the start of the audit, a task force made of CD-PD staff began the process to create new planning applications forms and related submittal checklist to provide clarity and consistency in the application submittal process.

RECOMMENDATION
We recommend that the CD-PD complete the redesign of planning applications within the next 90 days, provide training to all staff on use of the applications and checklist, and post the documents and instructions on the website (perhaps via a video).

MANAGEMENT CORRECTIVE ACTION PLAN
RESPONSE:
The new/revised applications have been developed with management and the Planning staff, providing an improved breakout of application types for our customer users. The application form also provides a comprehensive checklist for submitting applications to the Planning Division. Once the forms are online, the PDF application will be fillable, as opposed to the current print and fill-out forms. Currently, both the Building Safety Division and the Planning Division use a Department-wide application cover page form. Changing to a 'Planning Application Form' specific to the needs of our various types of applications, the Building Safety Division will also launch a new application form.

The new draft planning applications are now complete. Final review edits have been conducted by the Deputy Director with Planning staff and shared with CD Director. Staff will conduct outreach to our customers and allow a transition period for full implementation.

IMPLEMENTATION TIME FRAME:
The new planning applications were available online on Monday, March 18, 2019. We will conduct a soft roll-out for two weeks, transitioning with outreach on the new forms and submittal checklists. All applications received after April 2, 2019, will need to use the new forms.

The next phase of the application forms is to prepare informational guides or FAQ on how to process an application with Planning Division. We will complete this step once the department has developed the online applications with the current website portal (Accela, Citizen Access Portal) and the Accela upgrade occurs (related to Condition #2 below).

Condition #2

Technological enhancements to improve efficiency and effectiveness in planning processes and operations have not been implemented

Specific examples include:
- Planners are using "virtual" machines rather than standard desktops resulting in delays in the upload and review of documents.
- On-line submission of planning applications is not available.
- Interdepartmental review process is not automated in a manner that allows simultaneous review by interdepartmental team members.

Technological enhancements are necessary to facilitate process improvement and efficiency.

Without technological enhancements, planners could spend significant time on non-productive tasks, review of interdepartmental team comments could be delayed, and receipt and processing of planning applications may take longer than necessary.

NOTE: After the start of the audit, virtual machines were replaced with regular desk tops that allow faster processing. In addition, the upgrade of CD-PD software was in progress -but reschedule for spring 2019 – to address the technological issues noted.

RECOMMENDATION

We recommend that within the next 180 days CD-PD leadership work with staff to fully examine technology needs of the department (areas that need automation to build efficiency and productivity, equipment needs, software needs, etc.) and develop a plan to prioritize and implement solutions.

MANAGEMENT CORRECTIVE ACTION PLAN

RESPONSE:

Prior to the completion of the audit report, the Planning Division successfully worked with IT to replace the virtual client computers back to the standard desktop computers for essential employees that work with development plans and complex PDF documents. The Planning staff received the desktop computers on August 3, 2018. Shortly thereafter, IT had also received funding to complete a replacement of new data lines for the entire east wing of the Harry E. Mitchell Government Center. The new data lines were also intended to improve the speed of the network for computers and phones. New data lines were installed shortly after in August of 2018. Network upgrades have not resulted in significant improvements to network speeds because of the bottleneck in outdated and smaller network lines for the old phone system.

In late 2018, Community Development management identified a comprehensive needs assessment of both technology and training needs for the greater department, including the Planning Division. SEE ATTACHED. The basis of the assessment was to identify the training and technology needs of the department, and identify the necessary funds required to operate with the on-going technology needs. A proposal was generated in January 2019, identifying a "technology and training fee" for applications filed with Community Development. The result will be providing staff and customers the expected level of industry performance in technology and the training necessary to be proficient and professional in staff's area of expertise. The collective result of on-going and future technology and training needs is that a new 9% fee will be necessary for all applications, in order sustain the needs of the department. The fee increases, and associated budget increase, is currently under consideration with the proposed 2019/20 supplemental budget requests from the department. Community Development is currently

conducting stakeholder feedback on the proposed fee changes. A few of the expected outcomes for the training and technology fees is, on-going upgrades to support Accela permit tracking; online submittals for all application types; electronic document review software and/or Bluebeam software; and 32″ monitors for reviewing electronic plans. The remaining budget needs will support annual educational/training courses and other expected upgrades to exclusive technology this department requires, beyond the normal IT supported software and equipment.

IMPLEMENTATION TIME FRAME:
Supplemental budget request for a technology and training fee is pending direction by the City Manager and City Council for the 2019/20 fiscal year and beyond. If successful, Department management will develop a 1-year, 2-year, and 3+ year plan on how the funds are implemented. If funding for the technology and training fee is not funded, CD Management will need to stall further improvements and rely on the current allocation of budget funding, current IT Department resources for technology advancements, and on a case-by-case basis, make requests for individual supplemental budget funding that will compete with the rest of the City on an annual request. These supplemental budget requests for technology will need to be prioritized and will take a much longer time frame to implement. As a result, the Department will continue to be behind in the expected technology efficiencies for our customers and employees.

Condition #3

The time frame for the application review is not consistent (it is 10 days for some types of applications and 15 days for others) and the 10-day applicant review time frame does not always allow for thorough and effective review of applications and materials.

Consistent application review timeframes are necessary for proper planning and execution of planning review process tasks.

The lack of consistency may hamper appropriate management of projects; reduce the applicants understanding of the varied processes; limit coordination with interdepartmental review team members; increase difficulty for interns and volunteers to complete complex tasks; and limits flexibility.

RECOMMENDATIONS
We recommend the CD-PD management work with staff to establish a consistent application review process time frame. In addition, we recommend the time frame is communicated as "within "a certain number of days (i.e. application review will occur within 15 days) to allow flexibility and sufficient time for more complex application review and establish consistent, clear expectations for applicants.

MANAGEMENT CORRECTIVE ACTION PLAN
RESPONSE:
Management and staff agree with the recommendation above. The submittal review time frames for all application types for first review will be identified as "within 15 business days". If time permits, planning staff will be able to determine which applications within the current workload can be completed sooner.

IMPLEMENTATION TIME FRAME:
The review time frames of 15 business days have been identified within the new application forms and have gone into effect as of April 2, 2019, with the launch of the new applications. A flow chart is provided on the first page of the application showing processing steps and review time periods.

Condition #4
The "completeness check" process design does not ensure a thorough review is conducted (or that the appropriate fee is charged) as the check is not always completed by fully knowledgeable staff.

The front counter staff does not conduct an effective "completeness check" (the check) to ensure all necessary documents are included when an application is submitted. The check should be conducted by those fully knowledgeable of the planning process and be completed prior to the fee being assessed.

Without fully knowledgeable staff conducting the check, there is an increased risk of incomplete applications being submitted, delays in application processing, incorrect fees being assessed, and additional work needed by planners.

RECOMMENDATIONS
We recommend that CD-PD management work with staff in the next 180 days to design and implement a thorough completeness check process to ensure knowledgeable staff are reviewing documents submitted. In addition, we recommend that the new process be communicated to all staff to build awareness and understanding.

MANAGEMENT CORRECTIVE ACTION PLAN
RESPONSE:
As a part of the new planning application forms, we have also incorporated a revised completeness checklist to accompany the related application form. Each checklist was specifically designed based on the type of application. This will provide the customers the consistency and expectation in what should be submitted in the application.

In addition to the new checklists form, and because of an approved 2018/19 one-time supplemental budget for 1 full-time temporary and ½ time temporary employee, new staff will be responsible for conducting a new "completeness review process" of all Planning application

submissions. Previously, a weekly submittal deadline by Monday, applications that are received are placed into a bin awaiting to be assigned for review. Applications were then assigned and distributed the following working day. Then the assigned Planner was responsible for conducting a completeness review and following up with the customer. This unfortunately resulted in unintended delays in the timing of when an application was filed, and the review time needed to verify a complete submittal.

The NEW completeness review procedure will require assigned staff to conduct an application completeness check within 2 business days of filing the application (instead of waiting until the Tuesday assignment meeting). With the help of new staff received from a recent budget supplemental, a daily time will be scheduled to go over any recent applications. Assigned staff will determine if the application is complete, and then placed in the ready-to-be assigned bin, awaiting Planning staff assignment. If the application is not complete, the application will be placed in the incomplete application bin, and the applicant will be immediately notified of any deficiencies in the application, via notification through the Accela email notice. This will allow the applicant to follow-up sooner on any incomplete items before being assigned to a Planner. Staff can then focus on the remainder of the assignments without further delay and provide responses to customers in a timely manner.

Review time frames are mandated by State Law to publish and advertise review turnaround time frames. For the success of this process it is essential to receive a permanent full time position with the personnel responsible for these tasks.

IMPLEMENTATION TIME FRAME:
The new checklist forms and submittal completeness review process was implemented in conjunction with the new application forms, with a soft roll-out on March 18, 2019, and will be required after April 2, 2019.

Condition #5

Policies and procedures were incomplete, and of limited usefulness; and not organized in a manner that facilitates easy retrieval.

Policies and procedures represent guidance for operations and implementation instructions to achieve consistency and quality in operations; as such, policies and procedures should be accurate, current, understandable, and easily retrievable.

Of the 11 "categories" of Planning SOPs on the shared drive, five (5) included procedures that had not been updated since 2011, and one (1) included procedures that had not been updated since 2005. In addition, at least 8 of the Planning SOP categories included policies and procedures with limited, unclear instructions; incomplete information; or that referred to systems no longer in use. Further, the "filing system" and how procedures were titled made them difficult to locate without prior knowledge (this would be particularly difficult for new employees).

Incomplete, outdated, and disorganized policies and procedures increases the risk of inconsistent operations and errors, could result in incorrect information provided to applicants, and may contribute to processing delays and inefficiencies.

RECOMMENDATIONS

We recommend that within 90 days, CD-PD management review policies and standard operating procedures (SOP) within the department and develop a plan that prioritizes updating all policies and SOPs within the next 12 months. In addition, we recommend that CD-PD management solicit feedback from staff on the update plan and priorities focusing on the SOPs that address key operational areas.

MANAGEMENT CORRECTIVE ACTION PLAN

RESPONSE:

Management recognizes that most of the SOP's are in need of evaluation for potential updates based on current or best practices.

IMPLEMENTATION TIME FRAME:

During the summer of 2019, management with the cooperation of Planning staff will evaluate our existing SOPs and determine prioritization of necessary updates, missing or new SOPs, and assess the overall format. Following this period, we will then assign the updates as needed, over the following 9-12 months for completion of all SOPs and related policies. Expected completion by Summer of 2020. Prioritization will be addressed once additional new procedure changes are adopted in 2019, related this Audit Report and other process improvement efforts. Establishing an update period will ensure SOPs stay current.

Condition #6

Planning staff time is not consistently used effectively or appropriately, and planner's workloads are not consistently analyzed for optimal outcomes.

Specific details include:
- Planning staff are required to cover front counter duties at least one day per week.
- Specific requirements and criteria regarding assigning planners to projects is not available.
- Staff activity and the type and frequency of inquiries and the front counter are not tracked or analyzed.

Best practices for addressing staffing needs call for a comprehensive, data driven, analytical focused strategy that concentrates on long-term and short-term solutions while ensuring that staff time is concentrated on effective and productive activity to achieve the organization's goals.

Lack of appropriate staffing, staff time not used effectively, and not analyzing workloads and making appropriate adjustments could hamper efforts to increase productivity, result in excessive turnover, reduce employee morale, and increase difficulties in meeting deadlines and clients' expectations.

RECOMMENDATIONS

We recommend that within the next 180 days CD-PD leadership work with staff to fully examine duties, processes, tasks, and requirements that impact staff time and workloads and develop a plan to prioritize and address the issues raised. This may include redeploying staff in other areas, enhancing technological capabilities, and providing training and development to facilitate cross-training of staff.

MANAGEMENT CORRECTIVE ACTION PLAN

RESPONSE:

Overall, Planning staff have addressed to CD Leadership, that a lot of the efforts that will be implemented out of the above Conditions #1-5, will assist in addressing this item. Staff also provided clarification that most of the issues about the Planner's workload was the disparity between the current Planning work versus other divisions or sections in the department that may not have as much workload demand. There are other Planners/employees in other divisions that work within the same area as the Planning Division, which have different responsibilities, and as a result have a different workload demand or less time sensitive deadlines than the Planning Division employees.

In order to address these concerns CD Leadership has recently implemented changes in the workload in late July 2018. Those changes include a response to evaluation of appropriate staffing needs with the request of a supplemental budget for additional staff. Planning received a one-time salary budget which allowed us to hire a full-time temporary Planner I and a part-time temporary Planning Technician. The new staff were able to relieve most of the hours spent by existing Planners that were assigned to maintain or back-up front counter duties. Except for the days off and hours the part time Planner is unable cover the front counter, staff's role for coverage has reduced significantly (a positive change!). CD leadership plans to continue advocating for permanent employment to perform the necessary duties assigned to the new staff. Staff assigned to the front counter have developed a tracking system for the number of calls for inquiries or communication at the front counter. This data will be helpful for future supplemental requests for funding.

As previously identified, CD management have developed a long-term needs assessment of training and technology needs. If the supplemental budget is approved, leadership can begin implementation of training and any current technology deficiencies that can be addressed sooner than later.

An additional change in the workload assignments, is having a single point-of-contact for all Code Compliance related cases and ensuring consistency and follow up code enforcement matters have a go-to-person to address property compliance. This obligation has been assigned to Steve Abrahamson, Principal Planner, and was implemented in Fall of 2018.

Another workload reliever on the Planning staff is the recent department implementation of the Project Assistance Team. This team of four includes one supervisor and a Senior Planner currently working in Building Safety Division, an additional Senior Planner from the Special Projects Division, and an additional Senior Planner from the Planning Division. This team can provide relief in the workload with those smaller projects that could be processed simultaneously while combining design and Building Code reviews during one process.

The Deputy Director will continue to work with the direct Supervisors of the Planning staff and evaluate appropriate methods to distribute project assignments more equitably. It will be key for staff involved to work with their Supervisors and identify any workload issues.

For development project assignments, we have implemented a weekly collaborative workload assessment based on the complexity of cases, current workload of full-time staff, and current resource limitations with part time staff. Supervisors can distribute project assignments equitably without over burdening one employee from another through open dialogue and participation in the assignment process.

Condition #7

Intern assignment guidelines, workloads, priorities, and training is not clearly defined in a development plan to help ensure a successful internship experience and guide how the intern will be best used.

Interns are used in the CD-PD to provide development opportunities for students, expose students to the planning career field, and to assist and support to the CD-PD staff. Interns should have a development plan that clearly defines duties and responsibilities and balances the needs of the intern and the organization.

Lack of a specific plan in place could result in interns assigned critical duties without the requisite experience, increased risk of "rework" for the planning staff, increased difficulties in meeting deadlines and clients' expectations, and limited value added to the City or the internship experience.

RECOMMENDATIONS
We recommend that CD-PD management – prior to the start of the Fall 2019 semester – develop specific plans for how interns will be utilized including – but not limited to - prioritizing duties,

identifying areas and tasks where interns should – or should not - assist, and establishing specific training goals and milestones.

MANAGEMENT CORRECTIVE ACTION PLAN
RESPONSE:
This a pending item, that CD-PD management will work directly with Steve Abrahamson, Principal Planner, who is responsible for oversight and supervision of the volunteer interns. Over the months leading into the summer, the first step is to address any deficiencies in the Standard Operating Procedures for Intern tasks and assignments. Then an effective intern program can be developed to identify enhancements in the Planning Intern Program, for students to receive value out of the program. It should be noted that the Planning Division is relying on volunteer work for "required critical tasks" within the Planning Division because there is not a permanent full-time position to provide the necessary coverage.

IMPLEMENATION TIME FRAME:
A draft internship program update is currently under review with staff. A final update is expected to be completed before the start of the Fall 2019 school semester.