



HOUSTON PERMITTING CENTER
Annual Report
2015

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FROM **The Director**

Houston is a resilient city! Even in the face of the energy downturn Houston's economy continued growing over the past year. Despite dropping in many rankings Houston is still among the fastest growing economies, fastest growing cities, and best cities for real estate investment in the United States.¹ We are optimistic that Houstonians will continue creating and expanding businesses in the coming year. We expect commercial and residential construction to continue trending upward. Nevertheless, only time will tell what challenges we will see in coming years—But, we are prepared to continue serving Houston's business and development communities with a dedicated focus on principled customer service regardless of what the future brings.

While looking ahead is essential for planning long term improvements, it is also important to recognize past accomplishments. The annual report is our opportunity to recognize accomplishments during the last fiscal year, which resulted from the combined efforts of hundreds of dedicated individuals. Therefore, on behalf of the Houston Permitting Center's Leadership Committee and staff, I am pleased to introduce the 2015 annual report. The report reflects the HPC's commitment to our mission and customer service principles.

2015 is best described as a year of transition. Market realities are persuading us to change our model for service delivery throughout the center. HPC leadership and staff invested a tremendous amount of energy planning to replace old, outmoded ways of doing business with new, exciting ones. Specifically, we began laying the groundwork for making a major shift in the way we serve our customers, both in person and online.



We are convinced this will yield huge dividends and will fundamentally transform the permitting process. One of the most promising examples is our conversion to an electronic plan review system—Phase one of this transition was completed in June 2015.

Even though this was a year of transition, we made many actual improvements that resulted in better customer service. Our overall satisfaction ratings improved between 2014 and 2015; customers were more satisfied with our service delivery. Although this is good news, we are not satisfied with resting on our past successes. 2016 is shaping up to be a very exciting year!

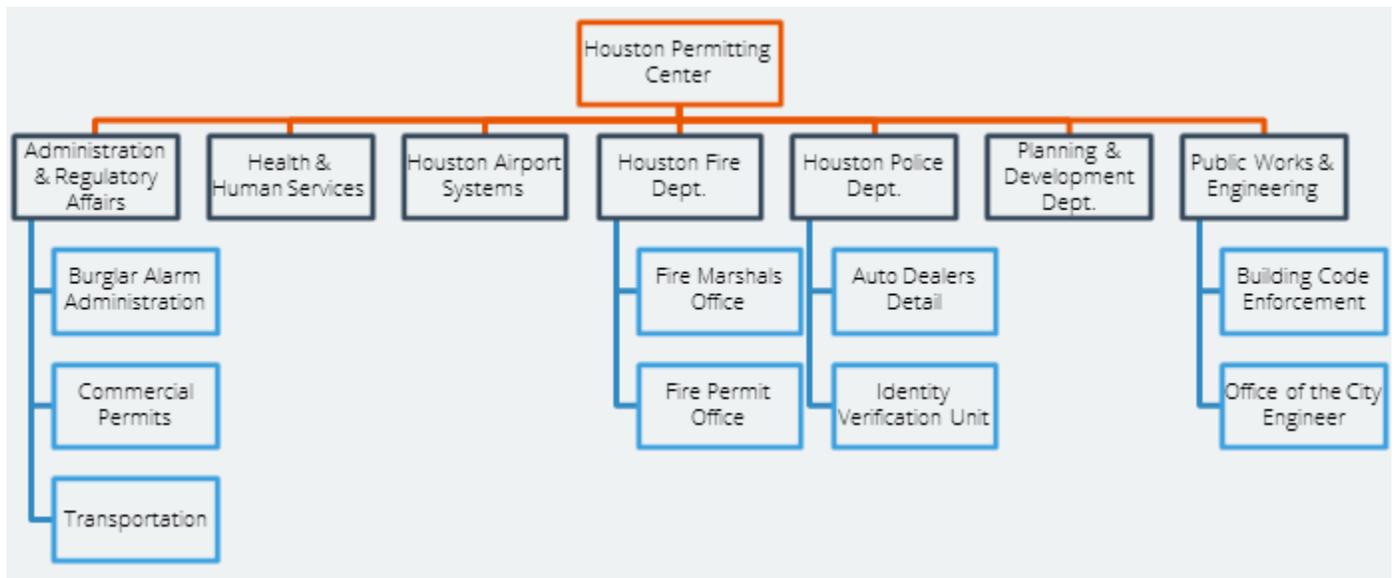
I would like to express my sincere thanks to the HPC staff, Leadership Committee, Advisory Board, vendor partners and to our customers for your continued support.

A handwritten signature in black ink, reading "Mark McAvoy". The signature is written in a cursive, flowing style.

Mark McAvoy | Executive Director
Houston Permitting Center

¹ WalletHub, Forbes Magazine, and Urban Land Institute

ABOUT The Permitting Center



The Houston Permitting Center opened with a mission to help customers achieve their goals while complying with City regulations.

Providing excellent service, streamlining business processes, implementing innovative technologies, and proactively engaging our customers are all cornerstones of our mission. The Houston Permitting Center (HPC) encompasses 40 business units from seven City departments. Collectively, the business units are responsible for enforcing all building and fire codes, regulating the operation of specific types of businesses, noise and sound permits, burglar and fire alarm permits, identity verification, and more. More than 600 types of permits, licenses, and registrations can be purchased at the HPC.

A Leadership Committee is responsible for evaluating the operating performance, improving business processes, and developing the strategic direction of the HPC. Each member manages one

or more business units. The members are:

- **David McCoy**, Health & Human Services
- **J'Marcus Adams**, Houston Police Department, Identity Verification Unit
- **Jennifer Ostlind**, Planning & Development Department
- **Jose Rosas**, Houston Police Department, Auto Dealers Detail
- **Kathryn Bruning**, Administration & Regulatory Affairs
- **Lance Henry**, Houston Fire Department
- **Mark Loethen**, Public Works & Engineering
- **Sonya Ellis**, Parks & Recreation Department²
- **Tim Lincoln**, Public Works & Engineering, Office of the City Engineer
- **Tom Hosey**, Public Works & Engineering, Building Code Enforcement³
- **Mark McAvoy**, Houston Permitting Center

A voluntary Advisory Board assists the Leadership Committee in identifying customer service concerns and solutions. The Board members represent various customer segments of the HPC.

²Parks department relocated from the HPC in early June 2015.

³Tom Hosey departed PWE in July 2015.

2015 Highlights

251,804

Total number of onsite sales transactions processed by cashiers in FY15⁴

90%

Percentage of onsite sales transactions processed within 2 minutes

\$133 million

Total revenues collected via onsite sales transactions

+8%

Percent increase in total onsite revenues over last fiscal year

\$27 million

Total revenues collected from online sales transactions

100%

Customer satisfaction rating for ARA services

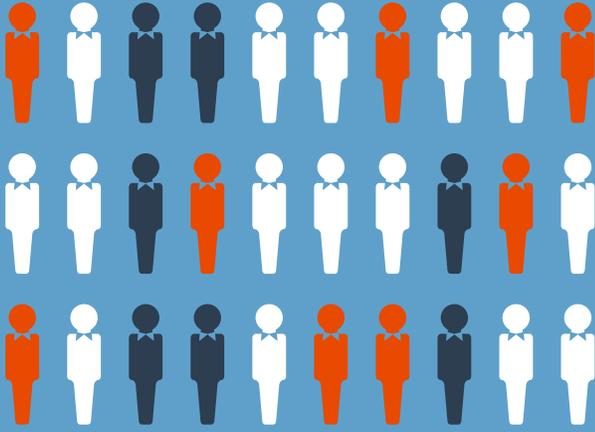
57,001

Total number of building plan sets reviewed

544,695

Total number of building inspections and investigations

⁴Fiscal year 2015 (FY15) ran from July 1, 2014 through June 30, 2015.



Total **339,055** tickets
pulled

AVERAGE WAIT TIME

9 minutes

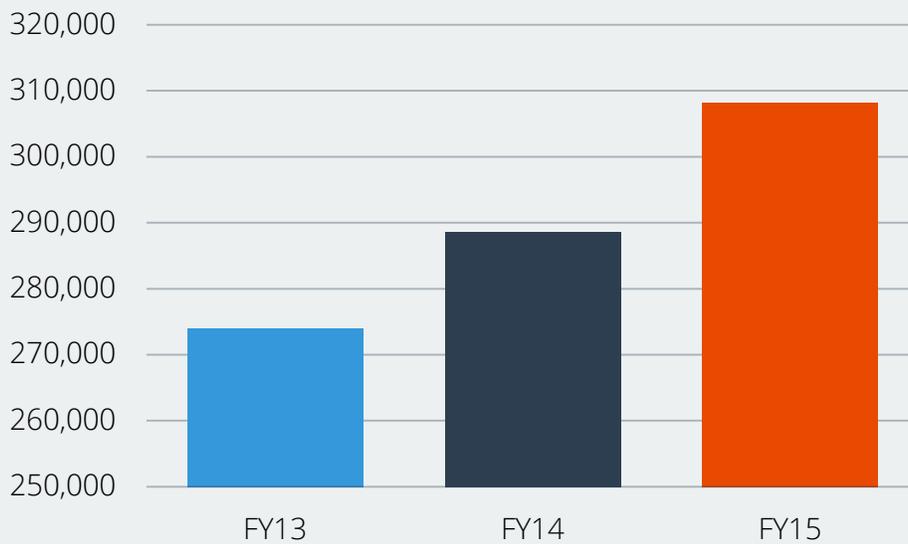
AVERAGE SERVICE TIME

10 minutes

ABANDONED TICKETS

9%

Total Tickets Served



77% of tickets served were for PWE services, 12% were for ARA services, and 4% each were for HPD and HFD services.

Most interaction with government happens in your neighborhood. With public expectations at an all-time high, customer service excellence is essential.

Studies consistently link engaged employees with improved customer service and work performance.

The Kudos program was launched in October 2014 as a result of an engagement and job satisfaction survey. Scores were found to be below the national benchmarks for agencies of our size. For employees to embody the HPC's core customer service principles, improvement is needed in these areas.

Kudos is an online platform where peers and supervisors can highlight each other's actions and behaviors that live up to the HPC's service principles. It also provides a channel for communicating among HPC staff that was previously lacking. The mobile app connects staff in the field with those in the office. Kudos is one step towards creating a more effective and supportive culture that empowers our employees to solve customers' problems and to continuously strive for improvement.

An active presence in the communities we serve is critical to being a responsive and proactive organization.

In the aftermath of the Memorial Day flooding, staff at the HPC extended operating hours (including weekends), opened a satellite office, staffed FEMA's recovery centers, and held daily informational sessions in order to guide affected residents through the rebuilding and mitigation processes. Staff professionally handled a 252% increase in customer volume and a 177% increase in plan review services during the recovery phase.

Outreach is not just for emergency events but also for process changes that disrupt the "usual way". The same level of effort to communicate, inform, receive feedback is needed for success. Electronic plan review represents a major shift in the way we do business and provide service. Q&A sessions, workshops, webinars, surveys, and a live-chat application were used to introduce the business community to EPR, reduce any fears, and receive feedback to make services better.

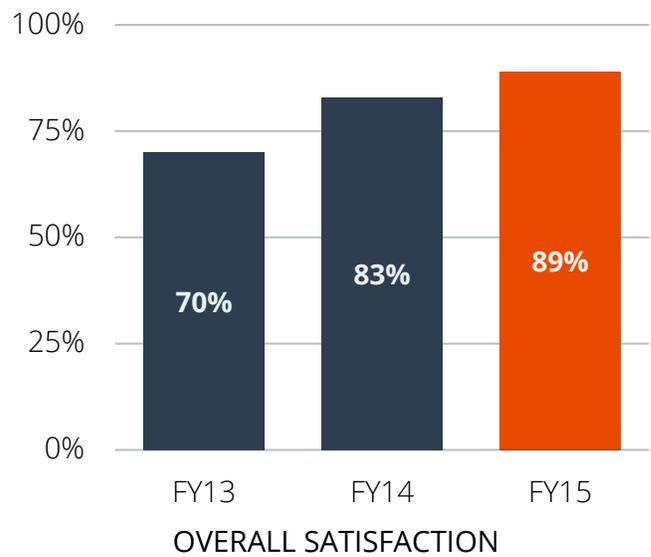
"I really enjoyed the relaxed and comfortable manner in which the material was delivered. It helped the event feel more like a conversation between people trying to achieve a goal together as opposed to a 'roll out'."

— **Marlene** | Attendee at EPR Public Q & A Session



In late spring, the HPC conducted a survey to measure our customers' satisfaction with services, with completed projects, and to identify areas of emphasis for future improvements.

Responses were written and anonymous. Our overall satisfaction rating continued on its upward trend, with 89% of respondents indicating they were very satisfied or satisfied with the services they received.

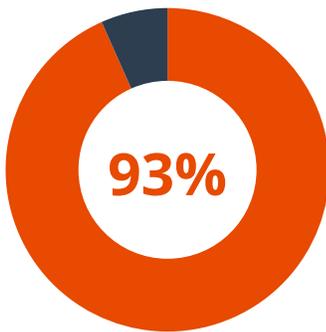
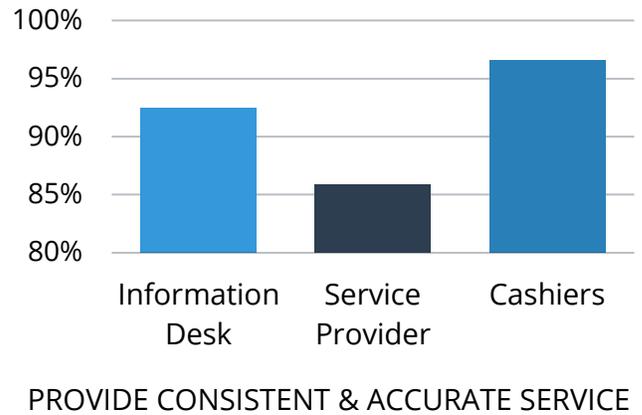
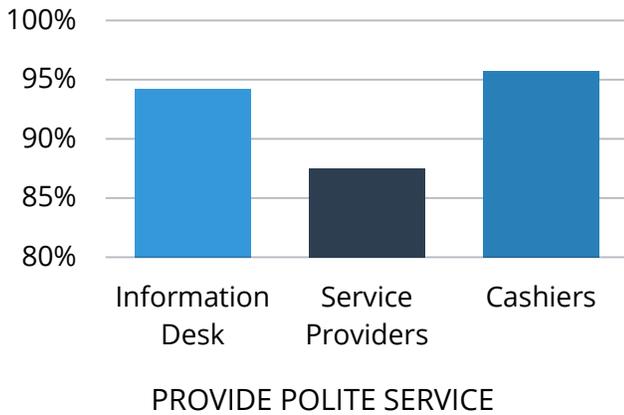


It is our priority that HPC staff serve our customers in the most polite way possible, and provide customers with consistent and accurate information. Overall, 92% of respondents indicated that our staff fulfilled these two service principles. These ratings improved slightly over last fiscal year, where 89% of respondents rated our staff as providing polite service and 86% of respondents rated our staff as providing consistent and accurate information.

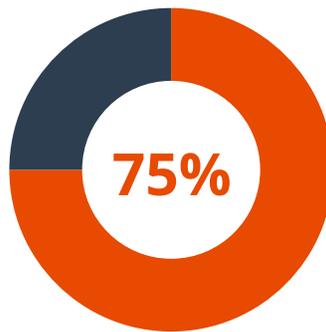
Each staff type improved in their ratings over FY14 but to different degrees. Cashiering staff received the highest ratings, with 96% of respondents indicating they provide polite service and 97% indicating they provide consistent and accurate service.

Cashiers also had the greatest improvement in scores, up by 6 percentage points and 7 percentage points respectively. Service providers (i.e. plan analysts, inspectors, CSRs, etc.) had the lowest ratings, with 88% of respondents rating their service as polite and 86% of respondents rating their service as accurate and consistent. This is up by 3 percentage points and 4 percentage points respectively.

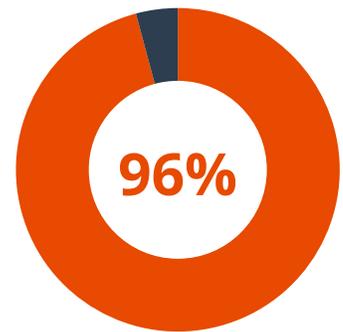
The vast majority of 1st-time and yearly visitors were satisfied with the services they received. Customer satisfaction was up by 3 percentage points for 1st-time visitors and 15 percentage points for yearly visitors compared to FY14, but there was no change for daily visitors.



1ST TIME VISITORS



DAILY VISITORS



YEARLY VISITORS

Satisfaction rating by frequency of visit

Satisfaction equaled a rating of "very satisfied" or "satisfied" on a 5-point likert scale.

Mobile technology increasingly defines how customers shop and engage with brands. This expectation of service carries over into the public sector.

Legacy technology can limit the quality of service that can be delivered.

That is why investment began in earnest to build the technological infrastructure for a seamless mobile customer experience. While it may take years to fully transition to modern systems, significant accomplishments were made in FY15.

ProjectDox was implemented to bring electronic plan review (EPR) into fruition. Together with the existing iPermits portal, customers can now apply for a building permit, pay fees, submit all plan documents, track and respond to comments, and receive their stamped plan set all from the comfort of their office or home, anytime, anywhere, and from any device.

Commercial building applications were eligible for the new EPR service in June 2015. Several other application types are scheduled to be added throughout the next fiscal year.

Mobile service is an omni-channel platform with voice, email, web chat, texting, and social media capabilities.

EPR is the first in a series of initiatives being developed by the HPC under the eServices brand. Live chat with an Information Desk agent was added to the eServices website to assist customers with EPR issues during regular business hours.

Customer-centric improvements were made to existing technologies.

In October 2014, Building Code Enforcement reactivated its Inspector On-site Arrival notifications. Customers who register for the service receive a text message with a two-hour window for the inspector's arrival on the job site. The notifications are sent on the morning of the scheduled inspection. When the notification service was reactivated, the arrival window was reduced from 4-hours to 2-hours in recognition of our customers' time and money.

Mobile printing was added to the copier machine in the main lobby in January 2015. This feature allows customers to send documents directly to the copier via an email address. Print jobs are stored for 24 hours. Customers simply access their documents by a unique ID number, add funds to the copier, and print.

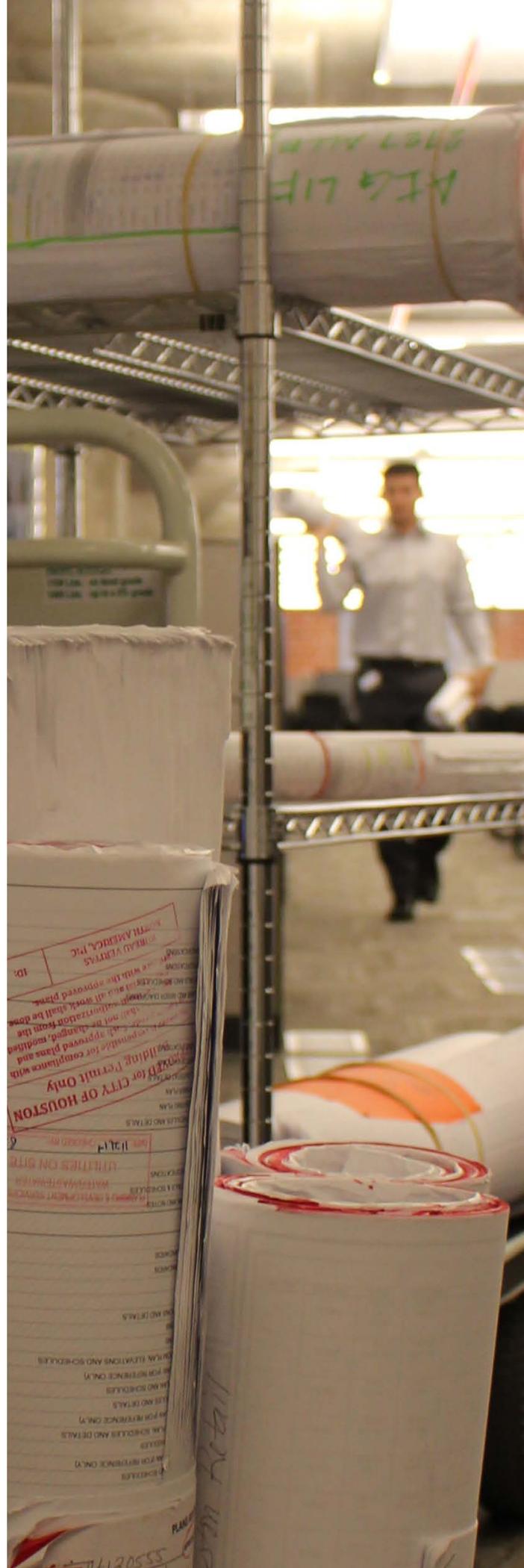
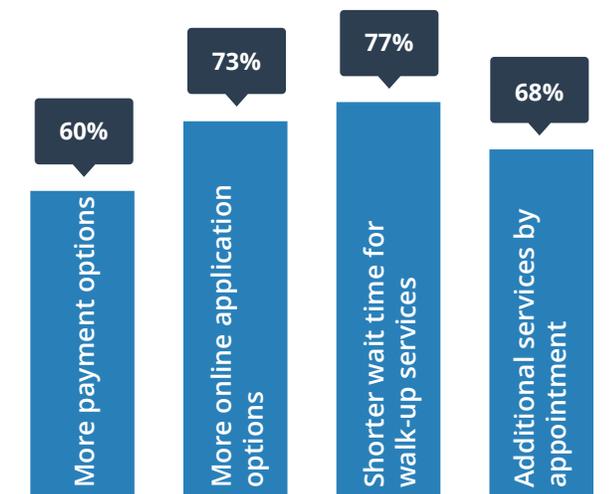
The customer queueing and routing system (called Q-flow) was upgraded to a new version in February 2015. While the upgrade did not effect how customers interact with Q-flow in the short term, it will allow the new features like mobile check-in, real-time wait notification, and real-time customer feedback to be added to the system.

Areas for Future Improvements

To help prioritize future projects, the annual customer satisfaction survey asked respondents to indicate how important certain areas of improvement were to them. A little over half of all respondents (53%) indicated that more online application options was very important to them and 20% of respondents indicated it was moderately important.

Approximately 54% of survey respondents indicated that shorter wait times for walk-up services was very important to them. Another 23% of respondents indicated this was moderately important to them.

The two areas are inversely related— As more of our mobile services get deployed, customer volume at the HPC will decrease, leading to shorter wait times for walk-up services.



Without continual growth and progress such words as improvement, achievement, and success have no meaning— Benjamin Franklin

Efficiency is doing things right. Effectiveness is doing the right things.

Learning to do more with less is a mantra heard throughout all levels of government. Adapting successful management practices from the private sector to public sector will help our staff improve performance and cut costs.

Lean six sigma (LSS) teaches staff how to utilize resources, eliminate waste, and reduce errors. Managers and supervisors continue to receive and apply LSS training to their respective business units. Projects were completed in HPD's Identity Verification Unit and the HPC's Imaging and Open Records sections. LSS and other management practices will provide the foundation for a culture of continuous improvement in the workplace.

Replacing ordinances that have constrained services.

In February 2015, City Council voted to amend Sections 1-11, 10-3, 10-247, and 29-6 of the Code of Ordinances, accepting unsworn declarations in lieu of the deed restrictions affidavit for building permits, occupancy inspection applications, and manufactured home park licenses. The re-write in February completes the project, which began in FY14, to remove the outdated "wet" signature and notary requirements for City permits. Without this change, new online services would not be possible.

The process to remove and replace existing sidewalk panels on single family residential properties was simplified to encourage homeowners to better care for the right-of-way. In April 2015, Sections 40-88 and 40-95 of the Code of Ordinances were amended to remove the permit fee and bond requirement for certain types of sidewalk replacements. Now, only a notice of intent and notice of completion is required to be filed with the Office of the City Engineer.

Automated processes saves time and effort for both customers and staff.

The Office of the City Engineer added its application for private utilities construction to the iPermits online portal in September 2014. The online application saves customers several trips up and down the elevator just to submit their plans. Data entry required at intake was reduced, thereby shortening service and wait times for customers.



Q-flow's online appointment scheduler was expanded to the Office of the City Engineer and Building Code Enforcement's Plan Review section. The service automates their existing practice of scheduling appointments for the discussion of plan review comments. Having a published schedule of available dates and times simplifies the scheduling process for customers, and provides staff with a more accurate reporting and tracking of how their time is spent.

Balancing services and costs

The Houston Permitting Center conducted a fee and permit study to assess Building Code Enforcement's current cost of service model and benchmark fees against other municipal governmental entities, both regionally and nationally. The results of the study will be used to ensure that fees are set at appropriate levels to recover costs across the organization. A preliminary report was completed in FY15, while the implementation of recommended actions will occur in FY16.





The Transportation section is responsible for permitting various types of vehicles for hire in Houston— taxis, pedicabs, limos, private school buses, transportation network companies, etc.— and inspecting the vehicles to ensure passenger safety.

Even while customer volume increased by 58% during FY15, the staff never wavered in delivering quality service. The team continually utilizes lean six sigma practices to ensure that their processes are as efficient and effective as possible for their customers. For their efforts, the section posted a 100% customer satisfaction rating during the entire fiscal year!

Their hard work did not go unnoticed by ARA's Director Tina Paez. She awarded the Transportation Section *Division of the Year* at a luncheon held during the City's Public Service

Recognition Week. But the accolades did not stop there. Director Paez selected Transportation's manager, Nikki Cooper, as *Employee of the Year* out of all of the candidates who were nominated by their peers or supervisors.

Furthermore, Director Paez was awarded *International Regulator of the Year* by the International Association of Transportation Regulators (IATR) at their annual conference in Montreal.

IATR's award recognizes the work Director Paez and her team led to rationalize the City's regulations in the face of unprecedented market disruption. Now regulators around the globe are looking to Houston for guidance and ideas.

Congratulations on a great year!

Transportation Permitting

Assistant Director Kathryn Bruning

Irene Aguilar

Manuel Bell

Juan Castaneda

Evangelina Valle

Azenc

Christina

Andrea



MAKING Houston Green



Educating Houston on sustainable and green building practices

The Green Building Resource Center's (GBRC) mission is to enable the public to experience and learn more about healthy, energy, water, and material-conserving design and construction—also known as green building.

The GBRC's showroom offers builders, business owners, and residents of a wide array of eco-friendly products and techniques broken into four sections: building components, water conservation, sustainable sites, and energy efficiency.

The program director led a number of initiatives to encourage recycling and energy-saving practices by HPC employees while at the office.

For the public, the GBRC hosted LEED building tours, composting classes, rain barrel sales, and education seminars in partnership with the Texas Gulf Coast chapter of the US Green Building Council.

For a city known for urban sprawl, the tiny homes seminar was a big hit.

Over 200 people attended the Earth Day seminar, which brought together the permitting, banking, real estate, and architectural perspectives upon this budding trend that is sweeping the nation. Attendees were able to tour two exhibits as well.

Other seminar topics this year included:

- Residential solar panels,
- Harvesting rainwater into drinking water,
- Reusing shipping containers for buildings, and
- Indoor air quality.

For more information about the Green Building Resource Center and upcoming events, please visit www.codegreenhouston.org.



CLOSING Remarks

Transforming public services begins with the customer's perspective.

With the upgrade to customer queueing and routing system, the HPC is poised to receive valuable customer feedback in real-time. With increased feedback, the HPC must strike a balance between upholding our public service mission with giving customers what they want, when they want it, and how they want it.

Open communication is a two-way street. The HPC will continue to build upon gains in community and customer outreach. Improvements to our social media presence, more public meetings, and the development of other communication tools are planned for the coming fiscal year.

Developing the mindset and behaviors of our employees for a culture of continuous improvement

If you take care of your employees, they in turn will take care of your customers. FY15 began focusing on employee engagement to ensure that all team members—from frontline staff to senior management—take ownership for achieving results and improving customer service. The Kudos program is the first step in aligning behaviors with the HPC's mission through positive reinforcement. Further aligning Kudos with workforce development will ensure that a culture of continuous improvement takes root.

Lean six sigma training offered by certified instructors will provide the necessary skills to determine what our customers value, eliminate unnecessary touch points and wait times, and improve cross-departmental coordination and communication. Expanding our customer service training course into a comprehensive education program will ensure that our employees have the skills to meet the new demands of modern public service delivery.

Expanding and improving electronic plan review services.

The first phase of electronic plan review was implemented in June 2015. It marks our first foray into delivering services through a true mobile platform. EPR will be expanded to include residential buildings and plan & profile designs (i.e. private utility construction) throughout the remainder of the calendar year. However, we recognize that just putting current processes online does not ensure that the process is efficient or effective.

Investing and harnessing the power of mobile service technologies.

Customers want more online self-service. This requires broadcasting the traditional knowledge base that is kept through in-person interactions, and left with employees with decades of experience, into automated mobile, self-service consumption of information.

Furthermore, customers want a seamless experience even as they bounce from mobile device to mobile device, and from online device to in-person service. Investments were made in FY15 and will continue into next fiscal year. Linking the queuing and routing systems, customer relationship management (CRM) software, permitting systems, and workforce development systems will allow us to harness the power of mobile technologies and move our service delivery into modern times.

*For an in-depth look at projects planned for next fiscal year, please review the **2014–2016 HPC Business Growth and Strategy Plan**, which can be found at <http://edocs.publicworks.houstontx.gov/division-files/planning-and-development-services-division/houston-permitting-center/4143-2014-2016-business-growth-a-strategy-plan.html>.*

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