

# 2016

## ANNUAL REPORT

Houston Permitting Center



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# From the Director

On behalf of the 600+ hardworking women and men who keep the Houston Permitting Center functioning and focused on accomplishing our mission, it is my privilege to present the HPC's Annual Report for Fiscal Year 2016. This year marks the five-year milestone in the life of the center. We've made amazing progress over this period, but 2016 stands out as a particularly remarkable year. We succeeded in making several major improvements that will have a significant impact for years to come. All of the credit for this success must go to our capable staff, committed leadership, and fantastic customers.

Realizing our vision of providing a world-class customer experience, while helping our customers accomplish their goals, requires an ongoing, principled pursuit of service, process, and technology improvements. With these goals in mind we made forward-looking changes in 2016. Early in the year we launched the eSERVICES brand as our online marketplace and implemented an Electronic Plan Review system for commercial, residential, and infrastructure construction projects. EPR is the first of many technology upgrades to transform the way we conduct business—making it easier and less time-consuming for customers. Although still in its first full year of use, EPR is already paying dividends for hundreds of customers.

Another noteworthy change is our commitment to transform the service culture at the center. Customer service is the HPC's top priority, which is why we are following the Public Works and Engineering Department's lead and retraining every staff member in the essentials of quality customer service. Thus far, approximately 75% of the front line staff and managers have completed the training — all are scheduled to finish by September 30, 2016.

Training simply aligns people with common goals and expectations — it is real life circumstances that test capabilities and reveal character. Environmental realities put all of our training and experience to the test in 2016.



No one wants to see the homes and businesses of our neighbors damaged or destroyed; however, the April Tax Day Flood forced us to face that reality. HPC staff mobilized immediately and took permitting services to multiple affected communities. It is that kind of dedication, professionalism, and compassion that make me proud to serve as the HPC's executive director.

I would like to express my sincere thanks to our staff, Leadership Committee, Advisory Board, vendor partners and customers for their continued support. Although 2016 was a great year, I'm confident we can all make 2017 even better!

**Mark McAvoy**  
Executive Director,  
Houston Permitting Center

# About the Permitting Center

Five years ago 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, issuing noise and sound permits as well as burglar and fire alarm permits, performing identity verification, and more. Over 600 types of permits, licenses, and registrations can be purchased at the HPC.

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.



**A 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.**

- J'Marcus Adams*, Houston Police Department, Identity Verification Unit
- Renee Beckham*, Houston Health Department
- Kathryn Bruning*, Administration & Regulatory Affairs
- Earl Greer*, Public Works & Engineering, Building Code Enforcement
- Lance Henry*, Houston Fire Department
- Tim Lincoln*, Public Works & Engineering, Office of the City Engineer
- Mark Loethen*, Public Works & Engineering
- Jeana Nellons*, Public Works & Engineering, Information Technology
- Jennifer Ostlind*, Planning & Development Department
- David Sauer*, Houston Police Department, Auto Dealers Detail
- Mark McAvoy*, Executive Director, Houston Permitting Center (Chair)



# 77%

of customers were satisfied with the services they received at the Houston Permitting Center.

# Revenue Report

With uncertainty in the energy industry, permit sales have tapered.

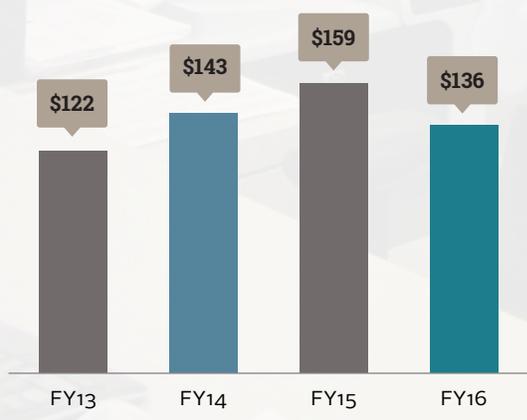
Revenues collected in 2016<sup>1</sup> from permits, licenses, inspections and registry sales totaled \$136 million, down 14% compared to 2015. The total number of onsite sales transactions decreased by 3% to 243,917. Cashiers processed these onsite transactions within their two-minute goal 92% of the time.

Online transactions accounted for 17% of total revenue in 2016, or about \$23 million. While total online revenue declined by 11% compared to 2015, more customers are using the online systems. Total online transaction count increased by 9 percent.

The valuation of projects from building permits issued in 2016 totaled \$7.4 billion, down almost 10% compared to last fiscal year.



Total Revenue (Dollars in Millions)



<sup>1</sup>The 2016 fiscal year ran from July 1, 2015 through June 30, 2016.

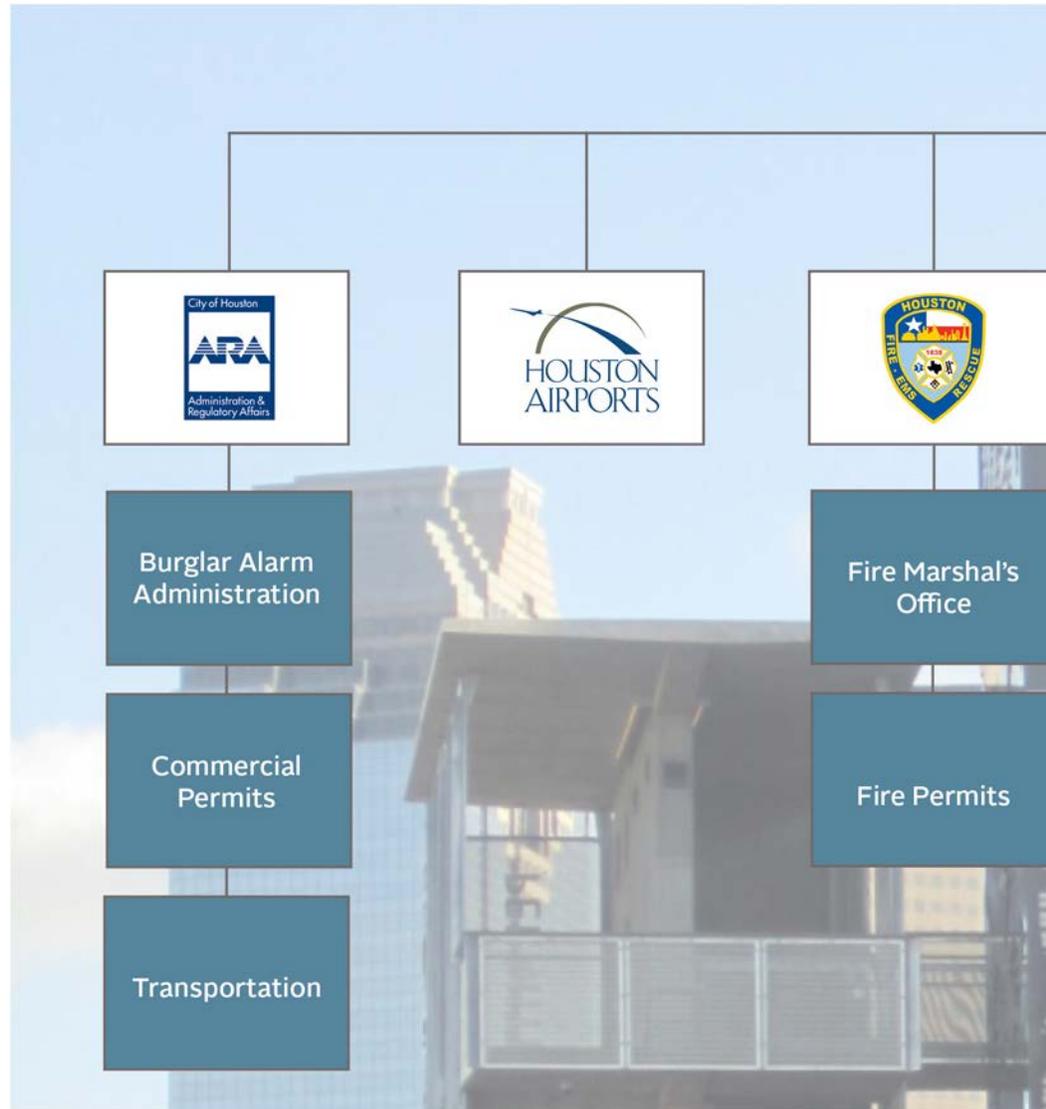
# How may we help you?

## ADMINISTRATION & REGULATORY AFFAIRS

ARA's **Transportation Section** issues licenses and permits to the operators and drivers of several different categories of vehicles-for-hire, including taxicabs, limousines, transportation network companies, private school vehicles, and pedicabs. The **Commercial Permitting & Enforcement Section** issues permits and conducts field enforcement for certain types of businesses such as alcohol establishments, boarding homes, credit access businesses, game rooms, and metal recyclers. The **Burglar Alarm Administration** oversees permitting and collections for monitored burglar alarm systems within the City limits.

## HOUSTON AIRPORT SYSTEM

The Houston Airport System **Land Use and Environmental Section** reviews development within the Airport Compatible Land Use tiers and under the Airport Hazard Area airspace surfaces. Plans are reviewed for compatible land uses, sound insulation requirements needed to make certain land uses compatible with airport operations, and structure height and wildlife attractants that would impact protected airspace surfaces.



## HOUSTON FIRE DEPARTMENT

The **Fire Permit Office** ensures compliance with the Fire Code, issuing fire prevention permits and fire alarm and sprinkler system permits. The **Fire Marshal Plan Checking Team** reviews plans and provides field inspections for fire alarm and standpipe systems. The **Hazmat & High Piled Inspections Team** provides plan review, final onsite inspections, and operational field inspections for facilities that constitute special hazards.

## HOUSTON HEALTH DEPARTMENT

HHD's Bureau of Consumer Health Services has two business units at the HPC. **Food Establishment Plan Review** checks food establishment blueprints, conducts preliminary inspections, and renews Health Department permits. The **Swimming Pool** unit reviews blueprints for the construction of residential and commercial swimming pools and spas and also issues pool demolition permits.



## HOUSTON POLICE DEPARTMENT

HPD has two business units at the HPC. **Auto Dealers Detail** issues licenses and permits to the operators of wrecker vehicles. This group also licenses and regulates automotive businesses. **Identity Verification Unit** provides fingerprinting, background checks, and clearance letters for immigration, adoption, hunting, overseas travel, sponsorship, work permits, permanent residence, and citizenship.

## PLANNING & DEVELOPMENT DEPARTMENT

The **Site Plan Review** team from the Planning & Development Department's Development Division is located at the HPC. This group reviews commercial building plans for compliance with lot size requirements, building setbacks, parking, and landscaping/tree ordinance. Subdivisions plats are reviewed at 611 Walker for proper land subdivision and adequate street or right-of-way building lines.

## PUBLIC WORKS & ENGINEERING

The majority of the HPC's business units are associated with PWE. **Building Code Enforcement** encompasses code development, plan review and inspections for construction and associated trades, utility analysis, building permits, occupancy certification, and records management. The **Office of the City Engineer** includes floodplain management, construction services, and engineering services for utilities and the right-of-way.

# HOUSTON PERMITTING CENTER



# By the Numbers

The vast majority of customers are being received on a first-come, first-served basis. Total daily customers averaged 893 this fiscal year.

The total number of plan reviews completed in FY16 remained on par with last fiscal year's activities; however, the total number of inspections and investigations completed decreased by 4 percent.

**326,246**

Customers served onsite

**3%**

Served by appointment

Wait time

**12.5**

minutes

Service time

**10.5**

minutes

**57,138**

Plan reviews

**2.7**

Submittals before approval

Review length

**29**

days

**524,744**

Inspections &  
Investigations

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# Enhancing Customer Service

**To actualize our vision of providing a world-class customer experience, a three-pronged strategy was implemented in 2016.**

## *Building a Culture of Service*

In January 2016, the Department of Public Works & Engineering embarked on a three-year journey to build a culture of service from the inside out. The first step involved retraining staff in the essentials of customer service. The two-day essentials course began at the top with the Director and senior executives and was subsequently rolled out to all 3,700 PWE employees. An additional two-day training course was delivered to managers and senior staff to provide them with the foundations to implement the culture change.

A call to action identified employees interested in becoming facilitators of the essentials course. Of the 28 candidates who were selected, six came from the HPC. All classes contained a cross-section of employees from each division to provide insight into the breadth of services provided and

to build internal connections. Fostering internal service among coworkers will pay dividends when delivering service to our external customers.

The HPC has incorporated the service essentials curriculum into its new hire orientation program, which will extend best practices and other standards coming out of PWE's efforts to staff within all departments at the HPC.

## *Public Outreach & Education*

The permitting process is in constant flux — from new ordinances to code changes and new technologies altering traditional processes — outreach and education is critical for customers' success. HPC staff enhanced external communication efforts with presentations to school districts, engineering and architecture associations, building trade associations and small



business associations. Even future customers were reached through a presentation to college students in construction management.

Strengthening our digital presence is imperative to educate and communicate with our customers. The HPC joined Twitter and YouTube, complementing our existing presence on Facebook and our live chat service. We began to refresh and develop new brochures, fliers, and guides for the business units. Work on our digital presence will be a major focus over the coming years.



### Measuring Customer Satisfaction

In late spring, the HPC conducts its annual drive to measure satisfaction with services provided online and in person. The survey also measures our customers' satisfaction with completed projects and identifies areas of emphasis for future improvements. Responses are kept anonymous to provide for open and candid feedback. The survey is distributed online and onsite.

This year, respondents were nearly evenly split in how they primarily access services, whether onsite at the HPC, online, or both equally. Overall, 68% of respondents indicated

they were mostly or completely satisfied with the services they received and 9% indicated they were slightly satisfied. Our overall customer satisfaction rating went down 12 percentage points compared to FY15.

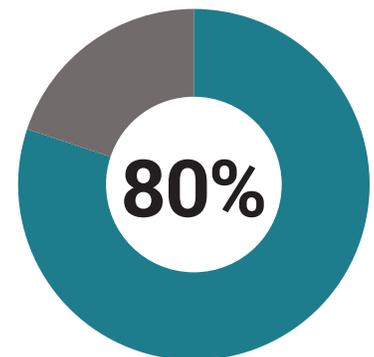
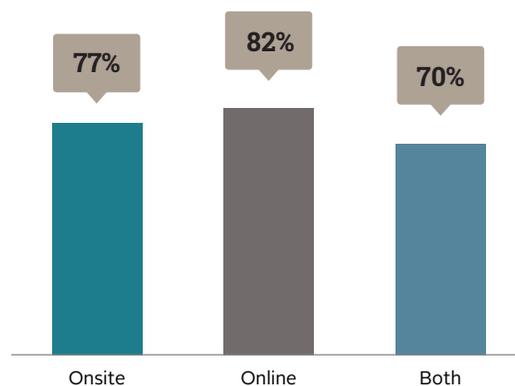
Respondents who access services primarily online had the highest satisfaction rates at 82 percent, while respondents that access services equally online and onsite had the lowest satisfaction rating at 70 percent. It is our priority to respond to customers' questions or concerns in a timely and accurate manner. Overall, 56% of

respondents indicated we were extremely or very responsive to their questions, and another 24% felt we were moderately responsive.

Respondents who primarily access services online again had the highest ratings, with 64% indicating we were extremely or very responsive. Respondents who equally access services online and onsite had the lowest ratings, with 48% indicating we were extremely or very responsive.

*Right: Customer satisfaction ratings by respondents' primary method of service.*

*Far right: Overall responsiveness rating across all respondents.*





# Investing in Technology

**New advancements will improve and speed up services.**

## *Expanding Electronic Plan Review*

After the launch of electronic plan review for commercial construction projects in June 2015, two additional processes were brought online this fiscal year. In September 2015, EPR for residential building plans was implemented for new single family residential homes, repeat homes, and remodels. Projects qualifying for the one-stop process are not submitted through EPR.

In November 2015, PWE's Office of the City Engineer launched EPR for its Engineering Services Utilities section for:

- Utilities construction in the right-of-way or within the easement;
- Connections or tie-ins to public utilities in the ROW, within the easement, or in the extra-territorial jurisdiction; and
- Public water plants, wells, wastewater treatment

plants, lift stations or storm pumping stations.

Projects associated with PWE's Capital Improvement Plan are submitted through an entirely separate process.

Use of EPR is voluntary and adoption is steadily increasing. While only 9% of plans submitted in FY16 were electronic, about 13% of plans submitted in June 2016 were electronic. One of the benefits of EPR is a faster review — on average, it took HPC staff a total of 29.5 business days to review and approve an electronic plan compared to 52.8 business days for a paper plan.<sup>2</sup>

With each new implementation, a kick-off event was held for customers to learn more about EPR. Staff also met with associations and companies to introduce the service and facilitated 44 hands-on workshops

to more than 280 customers.

Requirements gathering for the final implementation of EPR began in January 2016 for PWE's Sign Administration section. A pilot program began in late June 2016 and is expected to launch in FY17.

## *Queuing & Routing Improvements*

Appointments help employees manage their day better and guarantee customers are seen. The Planning Department's Site Plan Review group was added to the list of services by appointment.

Furthermore, the queuing and routing system was upgraded to allow customers more flexibility and convenience. Configuration of e-tickets was completed at the end of June 2016. Branded the *Online Queuing Service*, customers will be able to check in for appointments on their smart phone and receive e-tickets via email for walk-in

# Electronic plan review workshops held at the HPC provide customers with hands-on practice using the new system.



services, ultimately bypassing the kiosk. The Online Queuing Service will be completed in early FY17.

## Performance Dashboard

Transparency and accountability are imperative for public trust and satisfaction. The first phase of the performance dashboard page was completed in May 2016 with the submitted plans dashboard, which provides a number of performance metrics around commercial and residential plan review. From providing a daily snapshot of plans

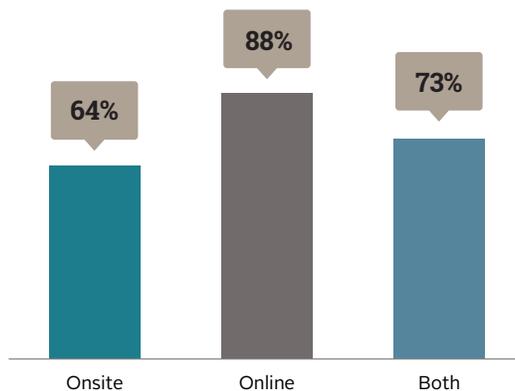
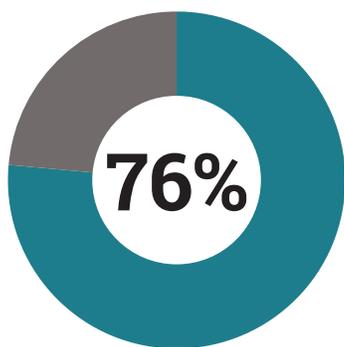
currently in the system to posting the average review length by project valuation over the previous 90-day period, the dashboard informs customers of departmental progress and manages expectations around productivity.

## Satisfaction with Online Services

The annual customer satisfaction survey asked respondents to rate how well the HPC's online services meet their needs. Overall, 76% of respondents felt our online services met their needs, with more than

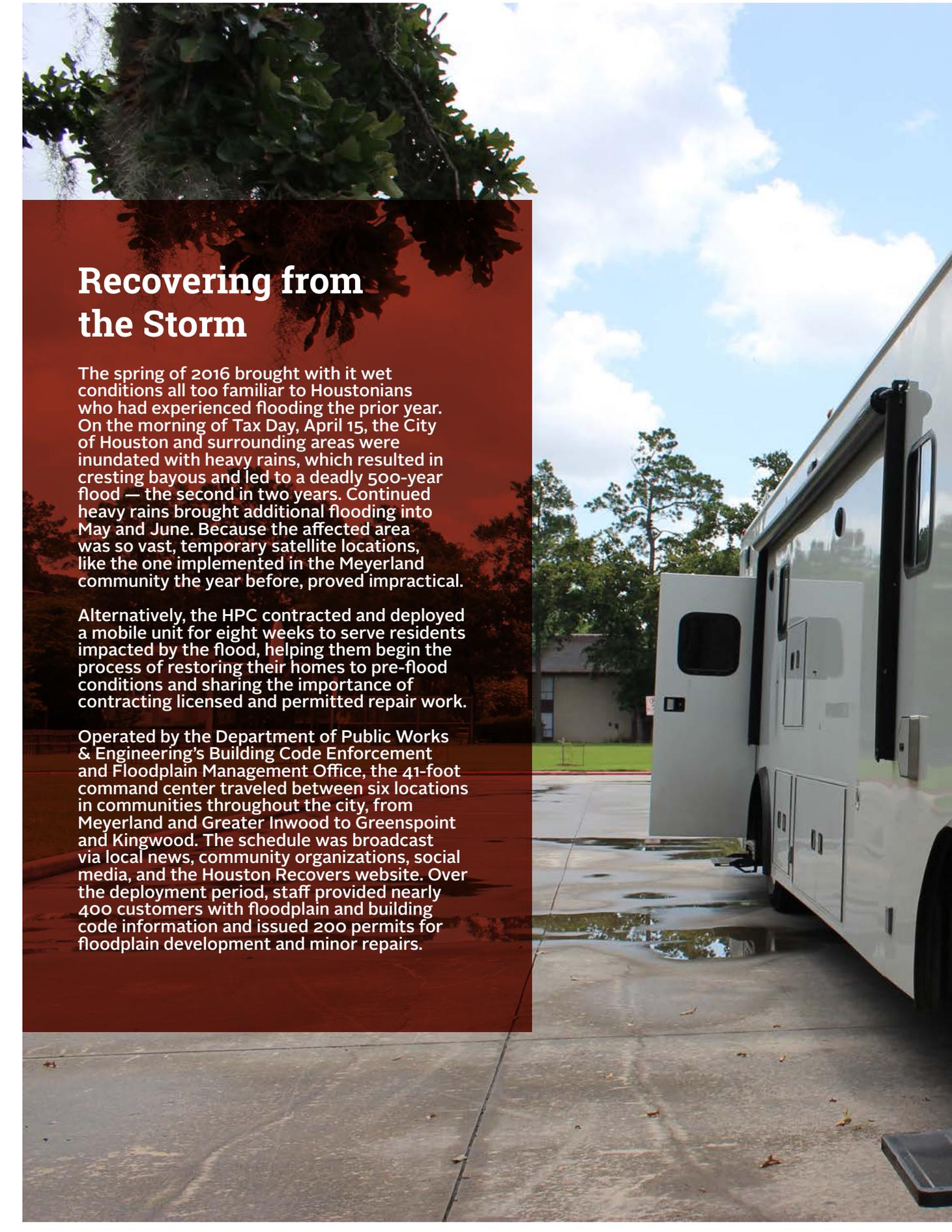
half indicating their needs were met very well or extremely well.

Approximately 88% of respondents who primarily access services online indicated they met their needs well, with 74% indicating they met their needs very or extremely well. In contrast, only 43% of respondents who primarily access services onsite and 44% of respondents who equally access services online and onsite indicated that the HPC's online services met their needs very or extremely well.



Left: Ratings for how well online services meet needs by respondents' primary method of service.

Far left: Rating for how well online services meet needs across all respondents.



## Recovering from the Storm

The spring of 2016 brought with it wet conditions all too familiar to Houstonians who had experienced flooding the prior year. On the morning of Tax Day, April 15, the City of Houston and surrounding areas were inundated with heavy rains, which resulted in cresting bayous and led to a deadly 500-year flood — the second in two years. Continued heavy rains brought additional flooding into May and June. Because the affected area was so vast, temporary satellite locations, like the one implemented in the Meyerland community the year before, proved impractical.

Alternatively, the HPC contracted and deployed a mobile unit for eight weeks to serve residents impacted by the flood, helping them begin the process of restoring their homes to pre-flood conditions and sharing the importance of contracting licensed and permitted repair work.

Operated by the Department of Public Works & Engineering's Building Code Enforcement and Floodplain Management Office, the 41-foot command center traveled between six locations in communities throughout the city, from Meyerland and Greater Inwood to Greenspoint and Kingwood. The schedule was broadcast via local news, community organizations, social media, and the Houston Recovers website. Over the deployment period, staff provided nearly 400 customers with floodplain and building code information and issued 200 permits for floodplain development and minor repairs.



# Cultivating green spaces...



**6** weekends of hard work and dedication by HPC employees helped to rebuild and revitalize an unutilized garden space.



**In the spring of 2016, dozens of staff and community partners volunteered their time to revitalize the garden near the I-10 HOV lane and develop in its place a more communal space. They demolished the old plots, installed irrigation, built new beds, and planted flowers and trees. A pergola, picnic tables and benches completed the garden. In April, a ribbon cutting ceremony celebrated a new era for the beautified garden and the community it promotes.**

The Green Building Resource Center's showroom of green building teachings extends beyond the walls of the HPC to its rooftop solar panels, demonstrative vegetative roof, and most recently, dynamic bioswale installation adjacent to the main parking lot completed in October 2015. If designed and maintained properly, this method of stormwater management decreases the chance of downstream flooding, reduces infrastructure costs, and adds curb appeal.

10

non-governmental organizations and private corporations supported the Green Building Resource Center in collaboration with the City of Houston to construct a bioswale along Washington Avenue.



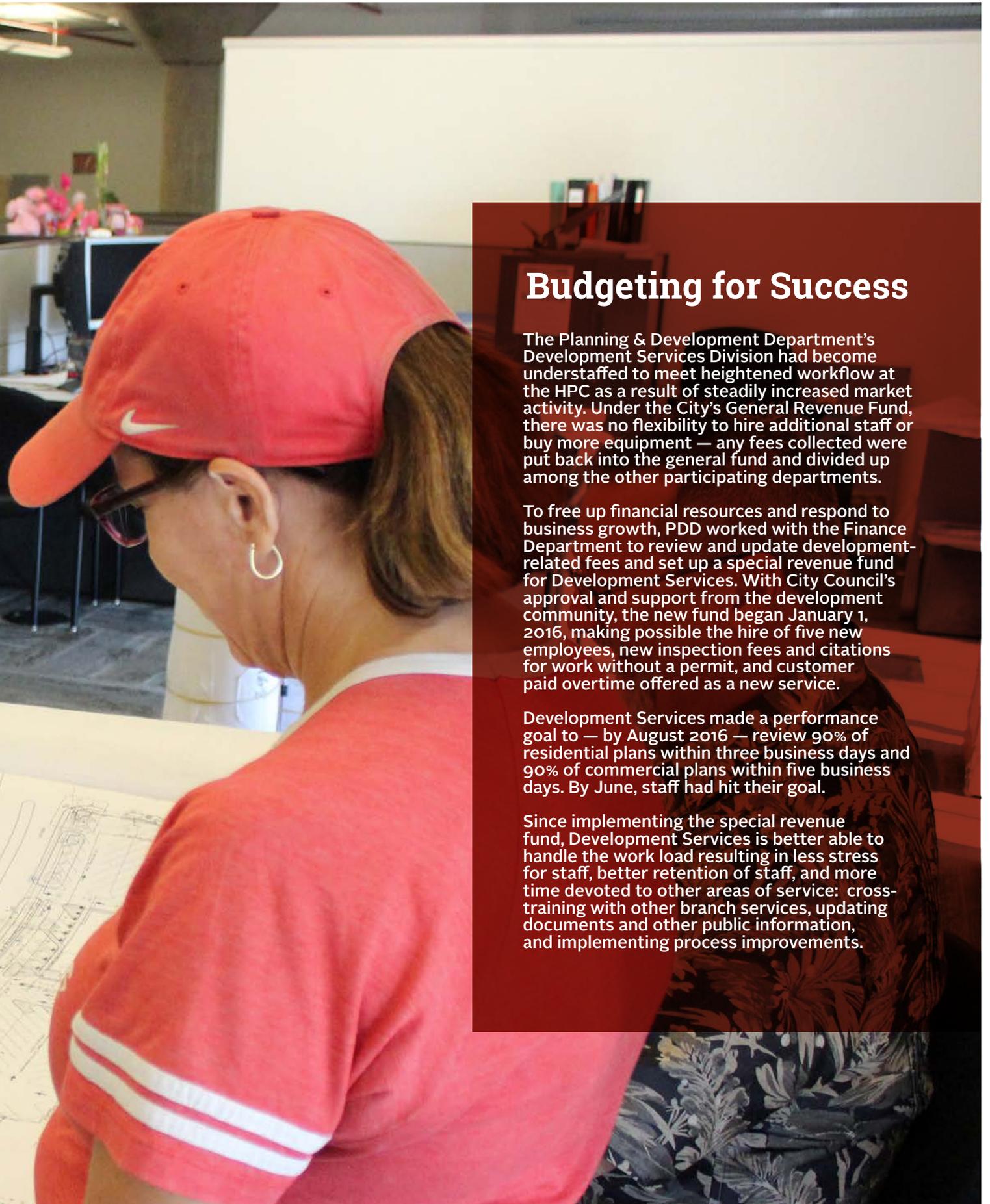
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earthen alternatives combine to replace a storm sewer: a traditional bioretention system, a high-performance biofiltration system, and a permeable paver sidewalk.



...and learning opportunities





## Budgeting for Success

The Planning & Development Department's Development Services Division had become understaffed to meet heightened workflow at the HPC as a result of steadily increased market activity. Under the City's General Revenue Fund, there was no flexibility to hire additional staff or buy more equipment — any fees collected were put back into the general fund and divided up among the other participating departments.

To free up financial resources and respond to business growth, PDD worked with the Finance Department to review and update development-related fees and set up a special revenue fund for Development Services. With City Council's approval and support from the development community, the new fund began January 1, 2016, making possible the hire of five new employees, new inspection fees and citations for work without a permit, and customer paid overtime offered as a new service.

Development Services made a performance goal to — by August 2016 — review 90% of residential plans within three business days and 90% of commercial plans within five business days. By June, staff had hit their goal.

Since implementing the special revenue fund, Development Services is better able to handle the work load resulting in less stress for staff, better retention of staff, and more time devoted to other areas of service: cross-training with other branch services, updating documents and other public information, and implementing process improvements.





## Closing Remarks

### Striving for Excellence

The residents of Houston elected a new mayor this fiscal year. Identifying priorities and objectives for the administration, Mayor Sylvester Turner expressed the importance of efficiency and transparency within the realm of permitting — these areas are where the Houston Permitting Center will continue to concentrate its efforts.

The HPC launched the City's electronic plan review system, an elective service that will pay increased dividends as participation increases. We implemented an online dashboard to provide customers with a real-time visual display of performance across the HPC's core services, and we invested in comprehensive customer service training for staff and management to improve the customer experience at every contact point.

We are committed to continuous improvement at the HPC. As a new fiscal year begins, we will not halt our previously established efforts to advance our services and streamline business processes across the center. Developments planned for the next fiscal year include a complete transformation of our online presence, from a redesigned website and new, interactive permitting wizard to electronic plan review upgrades. Enhanced mobile applications will introduce SMS queuing and push surveys to reduce customer wait time and measure satisfaction. Additionally, process improvements planned for New Single Family Residential Plan Review, Utility Analysis, and the Office of the City Engineer will maximize use of resources and ensure quality service.

We look forward to another five years of helping Houstonians achieve their goals through new, improved ways to navigate the permitting process.

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