

Metropolitan King County Council

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MEMORANDUM

DATE: March 2, 2004

TO: Metropolitan King County Councilmembers

FROM: Cheryle A. Broom, King County Auditor

SUBJECT: Department of Development and Environmental Services – Permitting
Best Practices Review – Special Study

Attached is the special study of the Department of Development and Environmental Services (DDES) Permitting Best Practices Review. The primary objectives of this study were:

1. To identify the best practices of public permit administration so that they could be available to inform the ongoing improvement activities at DDES; and
2. Provide an update to you on the status of DDES's efforts to improve its permit administration activities.

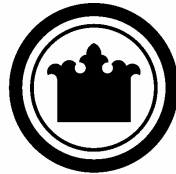
This study follows work done by this office in 2002 which focused on DDES's efforts to implement new standards for the amount of time and functions necessary for reviewing different types of land use permits. In addition to the attached study, a third phase of review is underway, where DDES's efficiency will be assessed by evaluating the methodology used by the department to analyze and manage workload and staffing.

The results of this follow-up can be used to inform improvement activities underway at DDES, including the ongoing development of a new permit project management system. Specific permit administration outcome criteria and practices are identified. Although we did not evaluate the activities undertaken by DDES to improve permit administration and customer communications, it appears the approaches underway have similar characteristics to a number of the industry best practices identified in this study.

The auditor's office sincerely thanks DDES management and staff for their cooperation on this project. This update of DDES's activities and the identification of permit administration outcome criteria and best practices will provide a framework for strengthening ongoing permit administration improvement activities, and we hope provide a common understanding of public permit administration on which to base further policy discussions.

SPECIAL STUDY

DEPARTMENT OF DEVELOPMENT AND ENVIRONMENTAL SERVICES PERMITTING BEST PRACTICES REVIEW



King County

Presented to
the Metropolitan King County Council
by the
County Auditor's Office

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We conduct audits and other studies to identify ways to improve accountability, performance, and efficiency of county government.

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We are committed to producing substantive work of the highest quality and integrity that results in significant improvements in accountability, performance, and efficiency of county government. We share a commitment to our mission, to our profession, and to a collaborative work environment in which we challenge ourselves to accomplish significant improvements in the performance of the King County Auditor's Office.



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Alternative Formats Available Upon Request

Department of Development and Environmental Services – Permitting Best Practices Review

Introduction

At the request of the Metropolitan King County Council, the auditor's office conducted a follow-up survey of activities underway at the Department of Development and Environmental Services (DDES) to improve building and land use permit administration. DDES is the county department responsible for implementation of King County's development and environmental regulations. This report provides an update of DDES's efforts to improve its permit administration activities and identifies industry best practices with regard to building and land use permit issuance and administration.

Auditor's Office Conducted Review in 2002

Due to customer complaints, DDES permit administration activities have been the subject of several reviews. In 2002, this office completed a review of DDES billing practices, focusing on DDES's efforts to implement standards for the amount of time and functions necessary for reviewing and issuing different types of land use permits. A third phase of review is underway, where DDES's efficiency will be assessed by evaluating the methodology used by the department to analyze and manage workload and staffing. The study will be completed in fall 2004.

The results of this follow-up survey can be used to inform the activities underway at DDES to improve permit administration, including the ongoing development of a new permit project management system. Although we did not evaluate the activities undertaken by DDES to implement its new project management system, it appears the approaches proposed and underway have similar characteristics to a number of the industry best practices identified in this study.

Scope and Objectives

This survey of ongoing DDES activities to improve permit administration and our review of industry best practices in public permit administration is a follow-up to our prior review of DDES permit review standards.

Our goal was to focus on identifying industry best practices associated with issuance and administration of land use and building permits applicable to the new permit project management system under development at DDES.

Objective: Identify Best Practices to Inform DDES Activities

Our objective was to identify the best practices of public permit administration so that they could be available to inform the ongoing improvement activities at DDES, as well as update the council on the status of DDES’s efforts to improve its permit administration activities.

IDENTIFYING BEST PRACTICES

Best Practice Criteria

Quality, Efficiency, and Effectiveness Defined

In order to identify leading edge practices in public permit administration, we conducted an extensive literature review. Nine cities and five counties were cited in the literature as leaders in land use and building permit administration. These entities were referenced in the literature because of the successful approaches they use to administer permit programs to achieve their missions. These successful approaches meet a variety of quality, effectiveness, and efficiency outcome criteria identified in the literature. These criteria include:

- Fulfillment of legal responsibilities associated with a wide variety of land use and building permits.
- Attentiveness to customer service.

- Timeliness requirements established by law or administrative policy are met and/or monitored for improvement.
- Accessibility of permit information to cross-functional permitting entities, applicants, and the community as appropriate.
- Monitoring of cost information by government entity and made available to clients.

We surveyed nine¹ of the leading cities and counties identified in the literature in an effort to gather more information about the variety of successful approaches undertaken to address the quality, efficiency, and effectiveness outcome criteria described above.

Framework of Best Management Practices Identified

The Best Management Practices Framework

Leading entities use a variety of approaches to achieve the outcomes criteria identified above. These approaches can best be understood by organizing them into a framework of best management practices which include the following categories:

Project Management: This category includes the entities' internal activities undertaken to carry out a planned, organized approach to permit administration. This project management approach supports the fulfillment of permit provisions outcome criterion.

Communication With Customers: This category includes the entities' activities that support oral, written, electronic, and other methods of sharing information with customers. These activities demonstrate attentiveness to customer service criterion and support timeliness objectives outcome criterion.

¹ Nine entities selected for survey based on their comparability in size, similarities of sensitive land use issues associated with geography (wetlands, river basins, and others), stage of land use development (urban and rural development issues), and governance structure (counties and cities).

Expediting the Review Process: This category includes the entities' activities that support internal and external permit application, processing, and issuance activities. These activities address cost/efficiency outcome criterion, as well as timeliness and attentiveness to customer service criteria.

Process Improvement: This category includes the entities' activities that support review of the performance of the permit administration functions, including review of costs, followed by adjustment to functions based on the findings of the review. This best practice category supports implementation of all of the outcome criteria.

**Best Practices Address
Quality, Efficiency, and
Effectiveness Outcome
Criteria**

In other words, by successfully undertaking approaches/activities within each of the four best practice categories, project management, communication with customers, expediting the review process, and process improvement, the leading city and county permitting entities meet the quality, efficiency, and effectiveness outcome criteria identified in the literature. Below, we provide descriptions of a number of the approaches used by leading city and county permitting entities within each of the best practice categories, as well as an update of the DDES activities that are underway or proposed.

**Three Key Aspects of
Project Management**

Best Practice Category 1 - Project Management

There are three key aspects of project management that leading organizations use to support an organized approach to permit administration. These are 1) providing a single point of contact for applicants, 2) having dedicated project managers, and 3) monitoring internal timelines. These are described below:

Single Point of Contact – A single point of contact is a person assigned to a particular permit or permit type, and that individual is accessible to the applicant for any questions regarding permit application, review, and issuance.

Dedicated Project Managers – Similar to a single point of contact, dedicated project managers (also known as application facilitators, case managers) are typically assigned only for large or complex projects. A project manager is different from the single point of contact, in that the project managers take an active role in managing the permit application through the permit process.

Monitoring Internal Timelines – These are the approaches used to monitor the time it takes to process a permit from the time of permit application.

Project Management Approaches Used by Leading Cities and Counties: Nearly all leading cities and counties assign a single point of contact only for larger and more complex permit applications. Whether a permit application is considered larger and more complex is determined by a variety of factors including size/amount and location of land, amount or value of the project proposed, or purpose of the proposed project.

Enable Applicant to Facilitate Permit Processing

Some leading entities also are developing approaches to provide a map of the permit process for individual permit applications. This is being done so that the applicant can more easily take on facilitation of the permit process, particularly for less complex projects. This approach is supported by having an ombudsman available to assist applicants if problems occur.

A portion of the leading entities have specific staff dedicated solely to project management. Project management positions are usually staffed by employees with permit administration,

engineering, or planning expertise. The project managers facilitate permit processing across various city/county departments or divisions, and their authority to direct decision-making over the various city/county departments involved with permit review varies widely. Some of the organizations that offer project management do so by charging an additional fee paid for by the applicant.

**Timeline Goals and
Performance Reported**

Finally, the leading organizations use a variety of approaches to monitor internal timelines. Most entities publish timeline estimates for particular permit types, usually the smaller or less complicated permits. This provides clear expectations to the applicant and the ability of the applicant and the entity to monitor permit processing. In contrast, the entities typically do not have published timelines for larger, more complicated projects because of variability in the time needed to process them. However, a wider time frame or range is provided in application literature for these more complicated projects, and many entities establish agreed-upon timeline estimates in pre-application meetings with clients.

Timelines are typically measured and modeled for review of staffing levels and performance, as well as cost planning, and are used to set permit fees. Timeline goals and performance are oftentimes published as performance measures. One unique approach included measurement of client response time to questions posed by the permitting entity. Both internal and external timelines are monitored and measured, and reported to the policymakers and the public so it can be understood whether delays in processing are on the part of the agency or the applicant.

Project Management Approaches Used or Proposed by DDES:

DDES had previously offered project management for building permits when requested by an applicant; now implementation of a system-wide project management approach is underway.

DDES will be assigning a single point of contact to major building and land use permits beginning in 2004. The main determinant will be whether the project has multiple site issues (e.g., wetlands, drainage, sensitive areas) that require review. DDES estimates that the majority of land use permits and about half of the commercial building permits will be assigned a single point of contact, while most residential building permits will not. Applicants will be able to request a single point of contact for any project for an additional hourly fee.

At DDES, the single point of contact will also be the project manager. The project manager will monitor the permit as it is processed, resolving any conflicts and ensuring that the permit is processed within the number of hours budgeted for it in the permit fees and within the time frames mandated by the county and the state. The one exception is residential building permits, where a permit review coordinator acts as the single point of contact and has a more limited role than a project manager for a land use or commercial building because these permits are less complex.

DDES monitors internal timelines in several ways. For those permits where a project manager is eligible, the project managers will be responsible to ensure that the time spent on a permit does not exceed the fee estimate. Project managers will also regularly monitor projected and actual timelines for individual permit milestones. DDES also routinely monitors all permits against county and state mandated timelines. In addition, DDES has land use permit review standards that are

based on the historical mean number of hours spent on reviews conducted for each permit type. On a weekly basis, DDES monitors whether permits are meeting this historical mean, and identifies those that are not, so that supervisors can review the work that remains and determine where the process can be expedited.

Best Practice Category 2 - Communication With Customers

Communication activities demonstrate attentiveness to customer service and support timeliness objectives. Communication methods can be characterized as those:

- Approaches to address broader scope/big-picture communications with the entire land use/building development community about information of interest. For example, communications regarding regulatory, organization, or technological changes that impact the permit application/review process; and
- Approaches to communicate about the application, review, or approval of a specific permit.

Communication Approaches Used by Leading Cities and Counties: There are a variety of methods and tools used by leading organizations to support communication with customers. Customers vary from professional permit runners, who specialize in managing permit applications for large development firms; independent contractors seeking permits for mid-sized residential and commercial developments and/or single family homes; to individual private home or land owners who are interested in making alterations to their property.

**Interactive
Communication
Preferred**

Broader Scope Communication Approaches – Multiple approaches are used by leading entities to communicate with their customers. Commonly, periodic meetings are held with the

development community to discuss regulatory, process, or other changes that impact the methods of doing business with the jurisdiction. Jurisdictions reported that these gatherings draw upon a variety of customers from the development community as well as staff from the multiple branches of the government that had some review authority over the permitting process. In addition, updates to the city or county organization's Web site and access to staff via e-mail or telephone are promoted. Some of the leading entities reported that in the past newsletters have been issued, but have found that periodic stakeholder meetings and updates to the Web site provided more instantaneous and interactive communication with customers.

Communication About a Specific Permit – Nearly all of the leading entities have access to permit application, review, and issuance status available to the applicant either via the Internet, telephone/fax on demand, or e-mail. These approaches were cited as very helpful in expediting permit review. The electronic systems varied in the amount of detail accessible to the customer. Some provided a detailed map of permit progress within the review process, name and contact information of reviewer, and whether any action or information was needed or pending from the client. Other automated systems were not as detailed but consistently provided the applicant with a contact telephone number and a status of the stage of review.

Below are other approaches to communicate with customers about permit status.

EXHIBIT A

Additional Approaches to Communication With Customers

Approach	Example/Description
Checklists and Printed Material	Online and/or hard copy application checklists, brochures, and/or maps of the permit review process.
Sample Plan Templates	Templates of sample plans for the most common type of building permit applications. Sample plan templates found to be helpful in reducing application errors and processing times for less complicated projects. These projects are typically pursued by persons who are not professional builders such as private residential or small business owners.
Online Permit or Instant Walk-up Permit Application and Issuance	Online or walk-up immediate permit application and/or processing capabilities for building permits identified as low risk. Low risk criteria varied but instant permits were typically available online or at the counter for select alterations to existing residential or small business structures.

SOURCE: King County Auditor's Office

Communication Approaches Used or Proposed by DDES:

Customer communication is one area where DDES staff acknowledge that they have not been very effective, and process improvements underway are intended to address this shortcoming.

Broader Scope of Communications – DDES uses its Web site to provide customers with a variety of information about the permitting process, including descriptions of the permit types, the fee structure and required reviews for permits, process timelines, and information bulletins.

Pre-application meetings are required for many permits and are available to any applicant who requests one. These meetings are intended to assist customers in submitting a complete permit application package, which may avoid plan changes and

processing delays. DDES also offers a pre-screening service, where DDES staff review an application package to determine if it is complete.

Communication About a Specific Permit – Online permit status information is limited. The status category of a permit and the names and contact information of staff assigned to the permit are available online. For more information, the customer would need to contact the assigned staff or project manager. Assigning a single point of contact for major permits is intended to improve communication with customers.

Best Practice Category 3 - Expediting the Review Process

Expediting the permit review process requires balancing a variety of priorities. Review processes may be expedited to address customer service interest such as timeliness and the applicant's project cost considerations. They also can be expedited as a way to prioritize policy interests of the community (such as promoting economic development or environmental preservation of a particular area). Finally, they are pursued by a permitting jurisdiction as a means to manage or prioritize workload.

Approaches Used by Leading City and County Entities to

Expedite Permit Review: As described above, jurisdictions have a variety of priorities that determine whether a permit should be eligible for expedited review. The leading entities take a variety of approaches to expedite permit review. Most activities focus on rapid identification of the type and complexity of a permit and then applying appropriate review standards for a particular permit type.

Below are other approaches used to expedite permit review.

EXHIBIT B	
Additional Approaches to Expedite Permit Review	
Approach	Example/Description
Expedite policy supported by a list of specific permit types eligible for rapid processing. Typically, permits are identified that achieve policy goals.	For example, expedited review of applications for building or land development activities associated with development of affordable housing projects or those that promote economic development.
Identify criteria (such as size, complexity, or purpose of particular permits) that historically provide low risk and a high level of compliance.	For example, permits with minimal requirements are eligible for instant application and issuance at permit counters or online. Credit card payments accepted. Examples of eligible permits: simple residential additions, commercial alternations—no change in use of building.
Plan templates used by applicants.	Templates are provided for certain types of development. If the applicant uses the plan template in his application, the application is eligible for fast-track processing.
Preferred consultants/certified reviewers/consistently prepared applicants.	Permit applicants submitted and/or reviewed by preferred consultants (consultants who have applied to be recognized as preferred, demonstrated history with jurisdiction, subject to peer review by the public entity, or other preferred consultants/certified reviewers).
Identify unfamiliar applicants (for example, Fairfax County’s Green Dot Program).	Permit application reviewed and if the applicant is unfamiliar with the permit process the jurisdiction anticipates, added or extra assistance will be provided at key review periods.

SOURCE: King County Auditor’s Office

Approaches to Expediting Permit Review at DDES: DDES has a history of using a variety of approaches to expedite building permits and continues to expand the approaches available to accelerate permit processing.

Over half of building permits issued by DDES are handled through expedited processing and typically issued within three days of intake. For example, the Basics Program allows builders to register plans for single-family houses, garages, sheds, and other structures that they build on a recurring basis. Once the

plans are approved, they are kept on file at DDES, allowing a permit to be issued over the counter each time the applicant is ready to build another structure from the registered plans. DDES also has express processing for small, limited scope projects such as decks, installation of HVAC equipment, and single story ground level additions.

DDES will implement a preferred consultant program this year. The program offers permit applicants the option of choosing a critical areas consultant from a DDES list of consultants who consistently submit complete and correct applications. The program should expedite permit review in several ways. DDES can expedite review of the assessments by those consultants because they have a history of accurate submittals, and improving the quality of applications helps to avoid permit revisions and delays. The program is also intended to benefit first-time or one-time applicants by offering them access to a pool of proven consultants.

Best Practice Category 4 – Process Improvement

Process improvements are the activities used to assess ongoing permit administration activities, followed by adjustment to the activities based on the findings of the review.

Process Improvement Activities Undertaken by Leading City and County Entities: All of the leading city and county permitting agencies have approaches to regularly review the performance of their permitting activities and use the information to make changes to their operations.

As discussed in other best practice categories, timeline goals are typically monitored, measured, reported, and used to analyze permit processing activities. All leading entities have an approach to obtain customer input and use this information to

make changes when appropriate. Customer input is obtained using varying approaches and at varying intervals. For example, annual written and telephone customer satisfaction surveys, computerized (touch screen) surveys at permit application, and focus groups or monthly meetings with the development community are strategies used by leading jurisdictions.

The entities also typically have process improvement/quality teams comprised of technical, administrative, and management staff. These teams develop strategies to address issues identified by the customer input process as well as solicit solutions from other permitting agency staff.

Process Improvement Activities Undertaken at DDES: DDES has undertaken a number of process improvements in the last few years based on feedback from customers. The most recent are the new project management system and the preferred consultant program. Both of these were recommendations from a task force composed of members of the local building and development community, including the Master Builders Association.

DDES implemented permit review standards in 2002 in response to complaints by customers. The standards set the average number of hours to be spent in reviewing land use permits. DDES managers and supervisors routinely identify and monitor the land use permits that exceed the standards and determine how to facilitate them through the review process. DDES recently developed scopes of review for the various review functions in order to standardize and streamline review activities.

In the past, DDES administered written surveys to every permit applicant and the response rate was very low. DDES has developed a much shorter telephone survey that they will implement this year. They plan to use the information to improve

staff responsiveness and increase customer access to information.

Implementation of Best Practices Associated With High Performance

Conclusion

Review of the literature and survey of leading city and county permitting entities document a pattern of performance where each of the categories of best practice management identified in this study are actively implemented. As described above, the approaches to implement the best practices vary somewhat, but all of the entities and literature confirm that the quality, effectiveness, and efficiency of a permit administration program can be improved by implementing the best practices.

DDES's Approaches Consistent With Best Practices

We did not evaluate the extent to which DDES is managing their permit administration activities consistent with the best practices. Based on the information we collected, it appears that DDES's current and planned approaches are consistent with those of the leading jurisdictions. The difference noted is the stage of implementation, with many key activities at DDES being recently undertaken.

We expect some of the approaches identified in this report should be helpful to DDES as they work to improve their permit administration activities.