



January 15, 2021

To: Tennell Atkins, Dallas City Council, District 8

From: Phil Crone, Executive Officer, Dallas Builders Association

Re: Feedback on Permitting Delays and Suggested Path Forward

Thank you for the opportunity to compile feedback from the development community regarding the ongoing delays that are crippling the industry and the city's ability to house its residents. Over the past few months, I have personally heard from hundreds of concerned residents, home builders and remodeling contractors. Several dozen more reached out at your request in the past week.

Some of the recent input came from individuals involved in commercial construction. Since our organization represents the residential side of the industry, I have attached what they provided in original form and will defer to TREC, TEXO and other entities to represent those important stakeholders.

I did the same for insight on other aspects of the development process that continue to be problematic even for the most experienced developers. My memo concludes with a bulleted list of suggested improvements.

Feedback on Permitting Delays:

With significant attention paid to this issue in council hearings, the media and in the Mayor's State of the City address in recent weeks, the industry was hopeful that the new year would bring a newfound sense of urgency to clear the crippling backlog. Those hopes were dashed by the City Manager's January 5 memo, which contained no urgency and no defined date to solve the problem.

His memo largely repeats the same half measures communicated on this issue over the last several months. Specifically, he measures a reduction in the number of projects in the "prescreen" phase and "plan review" phase as tangible progress. The same day the memo was released, the overall expected turnaround times (the only number that truly matters to us) for residential projects grew to 15 weeks on the city's website.

As of January 14 that number was back down to 11 weeks. However, that is still a far cry from our 2-3-week goal that mirrors the timelines experienced in other cities. Remember, back in March, this was a process that was regularly completed in one day!

Builders did not suddenly forget the city code or what was expected to be included with a building permit with the onset of the pandemic. The only thing that changed was the manner in which the city received and processed this information.

The software chosen by the city, ProjectDox, is promoted as the perfect solution for these circumstances. In fact, the [developer's website](#) features testimonials from numerous city's praising the software's role in their recovery. Builders in Houston, Denton and other Texas cities that use ProjectDox have no complaints about the application process or approval timelines.

The problem is, unequivocally, related to city staff's deployment and administration of ProjectDox, their divergence from best practices in using the program, and endemic organizational issues that have lingered for years within Sustainable Development and Construction. Every other major city in Texas transitioned to a socially distant permit application process in a matter of days in March. Many are experiencing record permit applications and are processing them without delay.

The vast majority of builders and homeowners who reached out to me conveyed desperation and loss of faith in the city's ability to deliver this most basic of services or even to propose specific solutions to fix the problem. They noted that without immediate improvements, the city will be unable to meet its housing goals in 2021 and perhaps beyond. This will greatly exacerbate the city's homeownership equity gap. Some described the current situation as effectively a moratorium on housing and are beginning to look for work in other cities.

Complaints regarding communication with city staff are also common. Emails and voicemails routinely go unanswered for weeks.

Most applicants have no idea where they are in the process and when to expect their permit to be issued. Those fortunate enough to hear back simply receive the same copy and pasted response they did weeks prior. Other correspondence from management level staff was far less than professional. Two examples of this include:

- *"Plans Examiners' time is much better spent reviewing plans than responding to Team Mail notifying what number the permit is in the queue."*
- *"As a Gold Card member you should know and have stated you understand what is required and what needs to be submitted. If the server is down I'm not sure what me calling you is going to solve. It appears what you want me to do is to do it for you. Is that what you're asking?"*

Staff is limiting the number of permits that larger volume builders are allowed to submit each week. These builders deliver much of the lower and middle income housing for our city. The city manager's memo states that staff is researching a Memorandum of Understanding with these builders. However, this rationing program is already underway. One of these builders, who usually receives 5 to 10 permits a week, had not received one since December 23.

Feedback received from the January 13 ProjectDox training was mixed. While attendees felt the instructor understood the software, he could not clearly explain how it was being implemented and what was expected from applicants. Attendees conveyed that future sessions should show how to load a sample project, what the city is looking for and why it has to be that way. Two attendees expressed that they came away more confused than they were going into the training.

Suggested Path Forward:

- Clear the permit backlog by the end of February and reduce permit turnaround times to no longer than three weeks. As one builder put it, "this is a now or never moment."
- Implement a third party plan review program for new single-family residential construction. This could be integrated into the self certification initiative already approved by council.
 - Fort Worth has a model Dallas could emulate. From March-November of last year compared to the same time period in 2019, Dallas's permits issued were down more than 35 percent while Fort Worth increased by 46 percent.
 - The vast majority of single-family projects do not require complex zoning review, so this should not be an impediment. Those with more complex zoning, such as projects located within conservation districts, already receive separate reviews.

- Ensure that reviews and inspections incidental to new construction are included in the self certification program. Examples include fences, foundations (reviewed by geotechnical engineer) and landscape/tree ordinance (reviewed by landscape architect).
- Formalize the role of the Development Advisory Committee. Hold regular monthly meetings with a predetermined agenda. Provide a forecast for future agenda items, requested by stakeholder and by city staff, to ensure subject matter experts are on hand. Integrate committee feedback into council briefings on policy initiatives that impact the development community.
- Create an Operations Manager position to oversee building inspections and another to oversee zoning and development.
 - These two positions are critical for implementing long-overdue efficiencies in each of these distinct areas.
 - They can also serve as a liaison to the third party workflow evaluation and staffing study already authorized by council. Ideal candidates would have experience in the private and public sectors and bring a fresh, outside perspective to the city.
 - They should also be responsible for improving the culture and customer service within these areas.
- Clearly and concisely convey the status of each project including an estimated approval date, the name of the reviewer, and their contact information. Respond professionally to any inquiries within two business days and provide each applicant with a weekly update on their project's status.
- Improve ProjectDox training sessions to include a sample project submission with explanations on what the city is looking for and why.
- Provide a specialized Q-team to expedite projects on city-owned lots.
- Refund permit fees to applicants who have reached their 90th day waiting for approval. This is double the time that state law identifies for when a refund is due and that Dallas asks applicants to waive because the city cannot issue permits in a timely manner.

Feedback regarding the development process or insight received from the commercial construction community. Each number represents a different individual:

1. The staff member I was working with to establish a new water account took 10 minutes to get into the system. She was working from home, but said it was not a bandwidth issue on her side.
2. The building permitting process improved for commercial warehouse projects. The problem is Engineering does not operate on the same schedule. As a developer, I can go thru the Q Team process and receive a building permit just weeks before I am ready to start the project. Engineering will show up at the Q team meeting and state they have received your second, third and even fourth submittal but will not approve it at the Q team meeting. Why does it take so many submittals? These are professional engineers working under Dallas design standards with years of experience with Dallas engineering.
3. It takes a minimum of 4-6 months to get the simplest projects approved in Engineering. Lloyd Denman is none responsive, unavailable, understaffed and over his head. He requires private property owners to negotiate lot to lot drainage easement between the parties that State law covers. No other City does this. The process by itself can cause developers to be essentially extorted by an adjacent property owner. I have personally experienced this.
4. In my 20+ years of developing in Dallas, I have never had a complete submittal accepted by engineering with one, or even two submittal. You have to submit your engineering plans months before going into the Q team meeting. The building permit can be approved by Q Team but put on hold by

engineering until third party contracts are approved and preconstruction meetings are held. These contracts are for utility connections and curb cuts. Those contract used to be done during the construction process and there is no reason for them not to be done that way today. Preliminary plat can be approved but the final plat and certificate of occupancy will not be issued until all the third party contract work is completed, giving engineering the approval for your Certificate of Occupancy.

5. On December 10th, 2020, we were awarded permit on a 956 sq. ft. office remodel for CitiGroup's Private Banking division at The Crescent...10 weeks after it was submitted for plan review. No change of use. No change of occupancy. Minimal alteration. There are no express accommodation for small projects with minimal scope. The current backlog likely includes hundreds of these. Per the Memo from T.C. Broadnax on January 5, 2021: "Training, reference materials, and instructions on how to properly submit applications are now available on the Building Inspection website and on the ProjectDox login page." This statement is true. However, it requires the entire design and construction community to master a submission process that is entirely unique to Dallas. Or be penalized with weeks of additional Prescreen time. Any error in electronic file labeling could mean 2 weeks before we're even aware of the error. The backlog has created a sizeable hurdle in new project discussions within the City of Dallas. Corporate entities are looking to nearby municipalities to avoid the burden.
6. I have personal experience with this right now and it is a true disaster. Depts not communicating; online system glitches; City attorney holding permits for 30 days to fill in blanks; having to get Council members and ED staff to harass permitting to get anything done quickly. The City was about to lose the ability to apply for the next round of NMTC before we got any significant attention from staff!
7. I have a project submitted through Qteam (supposed to be an expedited "white glove " process), and it is languishing. They have come up with additional requirements/hurdles in getting a project submitted. They have introduced a bunch of particular naming conventions for sheets and files, in addition to restricting what sheet sizes can be submitted, I could go on. If everything is not 100% correct, they are ejecting the file and erasing all of the submitted sheets which makes it impossible to understand what the real problem is, and it seems to be designed to reject business. I am convinced they really do not want to issue permits. This has to stop.
8. I am a concrete contractor and have been registered with the City of Dallas for some time now. Every year I have to take in our Original Bond for renewal because you require the Original. Our bond Company gives us the Bond one week before expires and then I go up to the Office on Jefferson and drop it off. At that time, before I leave, we are updated and ready to continue. I now have lost a day of work but if I don't do it they we lose many more. This year, I understand with COVID things are a little different, but I called before I went up there and got ahold of no one; after multiple calls and messages left no response at all.

SO on Monday 1/4/2021 when I got up there we had to wait in a line to talk through the speaker about why we were there. I explained that I just needed to turn in my Original bond for its renewal so our registration didn't expire we only have 3 days left to finalize. I was told to put it in the metal rolling carts at front entrance. When I saw the bins and was a little worried about leaving my Original Bond as requested I asked the lady that was helping about it. She sent me back to the speaker to make sure this is what they wanted for sure. So once again I waited in line to talk to them. When I got to the speaker and again asked about leaving our Original Bond in the bin and that I was nervous about it not getting updated soon enough and not having a backup. The lady told me that there was no other way to do it, it would be uploaded and reviewed within 24 to 48 hours. So I placed our bond in the bin stapled it in the Vanilla folder I had it in. Friday we tried to call in our inspection for a house that is for a

displaced tornado victim and was told that our registration had expired and therefore we could not schedule inspection. We called the Inspector to explain that we had everything turned in, she said bring what you have and we will get it handled here. So I was going to go back to Dallas office on Jefferson to try and get my bond back and they take it to the office on Stemmons. Monday Morning I called the Stemmons office where the inspector told us to go and the lady that answered the phone told me that they didn't do that there anymore and that the inspector probably just didn't realize that. She told me to just keep trying to calling office on Jefferson.

Finally Tuesday 1/12/2021 someone called me back. They said that they couldn't find our bond, it was missing. I asked to talk to a supervisor at that point, which I once again had to leave a message for. About 3 Hours later, the same lady I spoke with, called me back they had finally found our Original Bond. We have gotten our renewal registration set up and scheduled Inspection for today. Yet we have lost several critical days on a job that is for a Displaced tornado Victim. I wanted you to know the whole story, because something has to change. I was one of the lucky once that they finally found our bond. I am not sure what we would have done if they hadn't.

We work with lots of cities and Dallas is always the hardest to get anything done or get a hold of. This was just one issue but there is always issues every time we need to get something done even before COVID now it is just so much worse.