

June 14, 2022

Dear Mayor Johnson and City Council Members:

On behalf of more than 1,100 companies who collectively represent the city's residential housing industry, we are asking you to facilitate a new direction for our city. Over the past two years, residents, businesses and home builders have been crippled by incomprehensible permitting delays resulting from a foreseeably flawed transition to an online permitting system, poor customer service, as well as overburdened and poorly equipped staff. The city manager's sustained inattention to the severity of the problem, lack of empathy for those affected and failure to consider, let alone implement, reasonable solutions have led us to the conclusion that Dallas needs a respectful yet decisive transition at that position in order to move forward.

In early 2020, residential builders could obtain a permit in a matter of hours. For the past two years, most have waited several months. Each and every day that a home is delayed adds \$200 to \$300 to its cost. Every \$1,000 increase in the price of a new home renders it unaffordable for 20,000 Texas families. This situation makes it impossible for us to build the affordable housing our city so desperately needs and has prevented countless working-class families from calling Dallas home. In other words, this is more than a "PR problem."

The city manager's inability to prioritize and proactively solve this problem has resulted in the loss of hundreds if not thousands of jobs not only from the permit applicant, but also the trades, suppliers and subcontractors they employ. Others have simply left Dallas and gone to work in surrounding cities. Many professional service providers refuse to do work in Dallas due to the Development Services Department's inefficient and inconsistent processes.

It did not have to be this way. In 2018-19, we expressed concerns that the online permitting system (ProjectDox) was not ready for prime time. Our offers to provide user testing were refused. Even city staff were unsure how to use the program. Unsurprisingly, while every other city in our region transitioned to efficient and effective virtual permitting within weeks of the pandemic's arrival and throughout the subsequent housing boom Dallas was (and is still) unable to do so.

Along the way, you have heard from countless frustrated residents, businesses and organizations. You have represented them well by proposing numerous solutions. Most of these were dismissed by the city manager as being administrative as opposed to policy initiatives and, therefore, out of your area of responsibility. Others such as self-certification were approved by the council, but never implemented by the city manager.

The most notable progress we have made has come at your insistence. First, it was the implementation of third-party plan reviewers to help clear the backlog and supplement persistent staff shortages. More recently, the Government Performance and Financial Management Committee successfully pushed for the hiring of the Chief Building Official position, a critical role that had been vacant since early 2020.

The city manager recently quipped that we simply desire to get back to the "good old, bad days," where Development Services was problematic, but permitting and inspections functioned well. That is simply not the case.

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PREFERRED CHARITY:

Operation FINALLY HOME

Working with our industry partners, a thoughtful and comprehensive plan was developed in 2015 to chart a new path for the department. Unfortunately, the plan was left on the shelf even though much of it is as relevant now as it was when the city manager was hired.

Despite our numerous pleas for help and countless contributions of proposed solutions, the city manager has only met with us once and that was after the insistence of Mayor Pro Tem West. He has also passed up numerous invitations and opportunities to address the Development Advisory Committee and hearings pertinent to the permitting crisis.

When he finally did attend a briefing on the subject last month, he showed a complete lack of empathy for our aforementioned struggles. Each day, our members, the vast majority of which are small businesses, are unable to provide work to tradespeople and affordable housing for residents. They are laying off employees, begging city staff for updates and clarity on outstanding permits, and facing foreclosure on construction loans due to what the city manager dismissed as a PR and communications problem and something he is "tired of hearing about at parties."

With your continued leadership, we can find a better way forward for our city and, finally, a path through this crippling crisis. It is our sincere hope that the transition process is dignified, respectful and results in a new city manager who values housing advocates as critical stakeholders.

Sincerely,

A handwritten signature in black ink, appearing to read "Phil Crone". The signature is fluid and cursive, with a long horizontal stroke at the end.

Phil Crone, Executive Officer