



To: Members of Denver City Council
From: Brad Buchanan and Jill Jennings Golich, Community Planning and Development
Re: 2016 CPD Supplemental Request
Date: June 1, 2016

This memorandum provides an overview of the 2016 budget supplemental request for Community Planning and Development (CPD) and Denver Fire in order to keep pace with permit volume which through the end of April is 10% higher than this time in 2015.

1. 2016 Budget Overview

The 2016 CPD budget totals \$23,276,199 with an expected revenue of \$30,449,450. Of the 16 new budgeted positions for 2016, 15 are currently filled and the remaining position will be filled in June. Due to the workload, overtime is significantly over budget, projected to be almost \$1M for 2016 if the current pace continues. However, this pace is not sustainable for CPD staff.

2. Permit Metrics

In 2015, 73,753 building permits were issued which represents an 8.8% increase over permits issued in 2014. Following a 2015 summer of record high volumes, coupled with technology complications with the launch of Accela, CPD’s core metrics related to completing plan reviews on-time rose to an average of 7 weeks for residential and 6.2 weeks for commercial by the end of 2015 – from a published standard of 4 weeks and 2 weeks depending on the type of review. Additionally, 2015 saw a tremendous increase in valuation of projects which increased 48% in 2015 to a record \$3.6B. This increase in valuation equates to more complex projects which also take more time to review.

While turnaround times trended down at the start of 2016, summer volume increases have just begun and projections currently indicate the number of reviews completed on-time will decrease as volumes continue to increase. CPD is currently projecting an 8% increase in permits issued in 2016 over 2015.

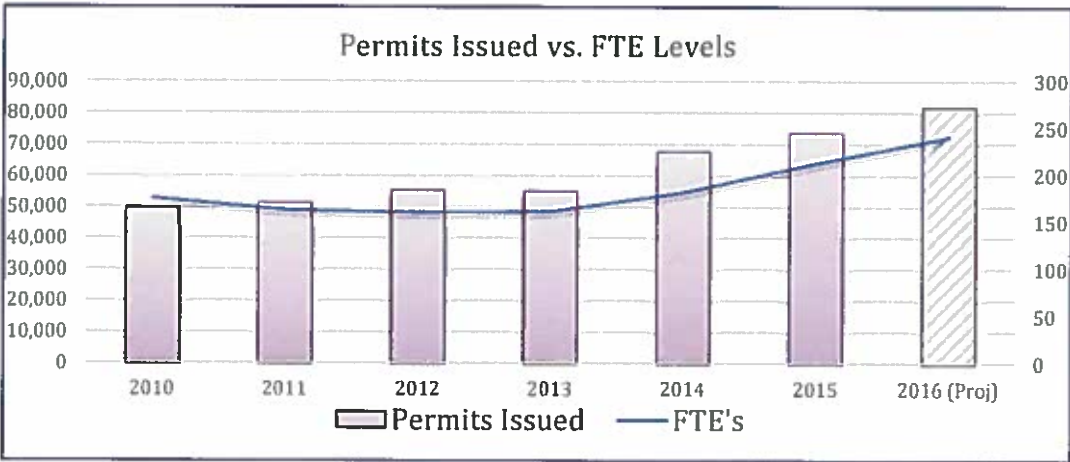


Figure 1: Permits Issued and FTEs, 2010 - 2016

While staff are issuing more permits, an increasing number of permit requests continue to come in. Based on reviews opened versus reviews completed for both residential and commercial projects, the number of reviews late will continue to increase – thus increasing the overall backlog. The commercial reviewers with the greatest backlog remain the Architectural/Structural team as well as the Denver Fire reviewers – see Figures 2 and 3 below.

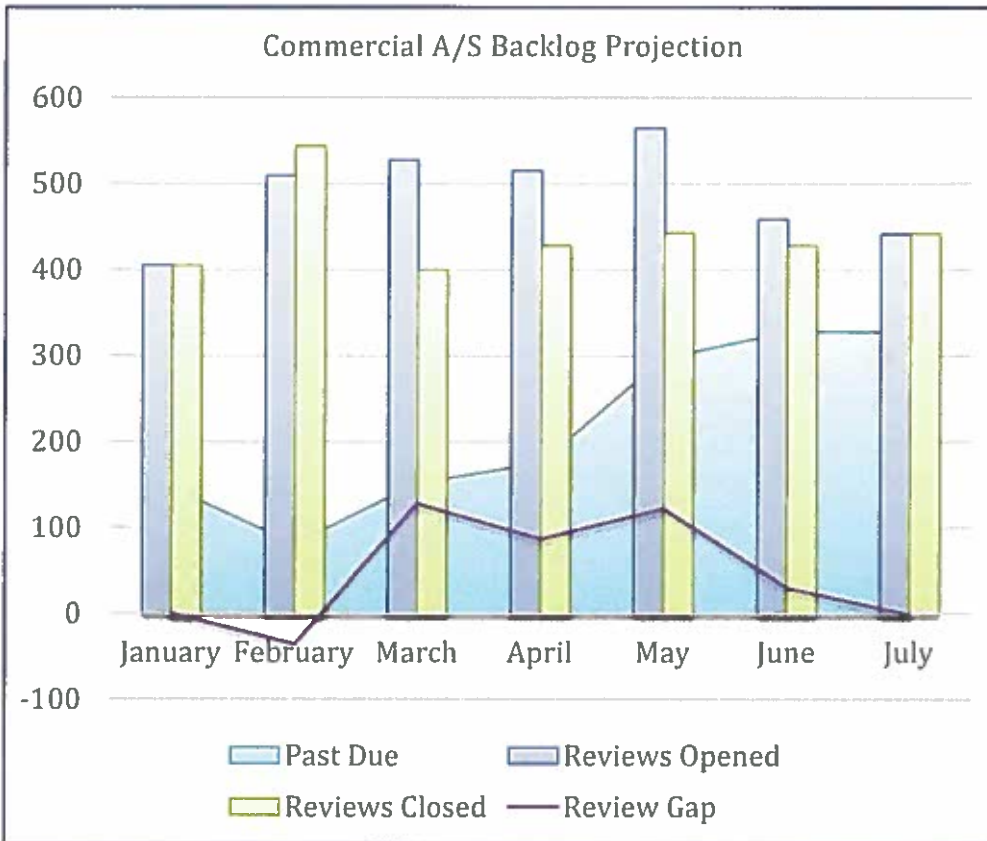


Figure 2: Commercial A/S Backlog Projection

*This chart assumes the team can complete 100 reviews/week.

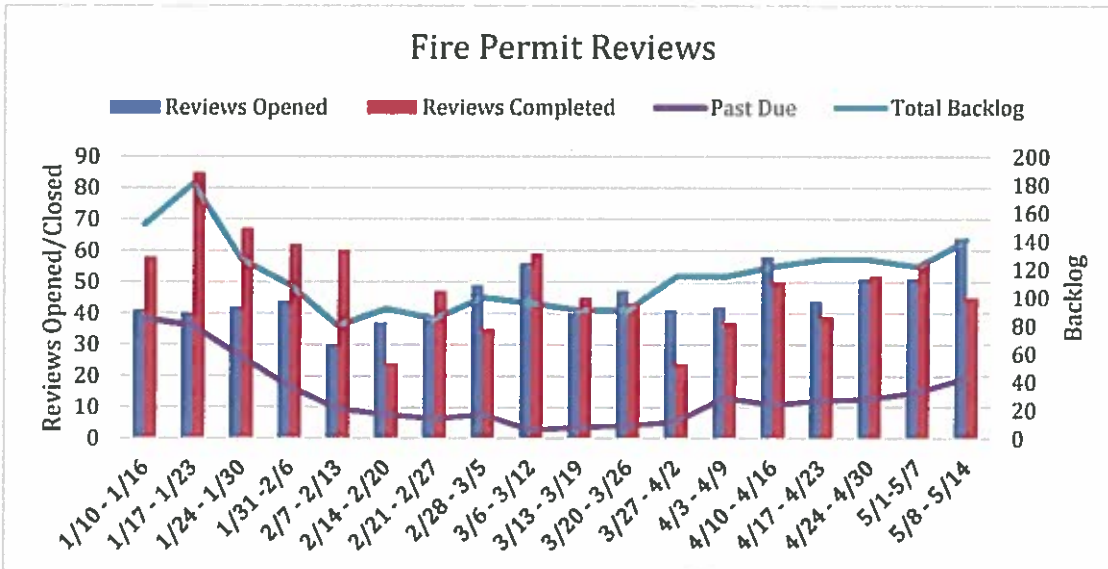


Figure 3: Fire Permit Reviews Opened vs. Reviews Completed

The residential review team saw the unexpected retirements of two team members this spring. These retirements add to an existing vacancy on the team due to a promotion. While a new staff member will start in early June, it's expected that hiring for the other two positions will take another 2 months. Based on past experience, it takes 4-6 months for a new team member to be trained and become productive.

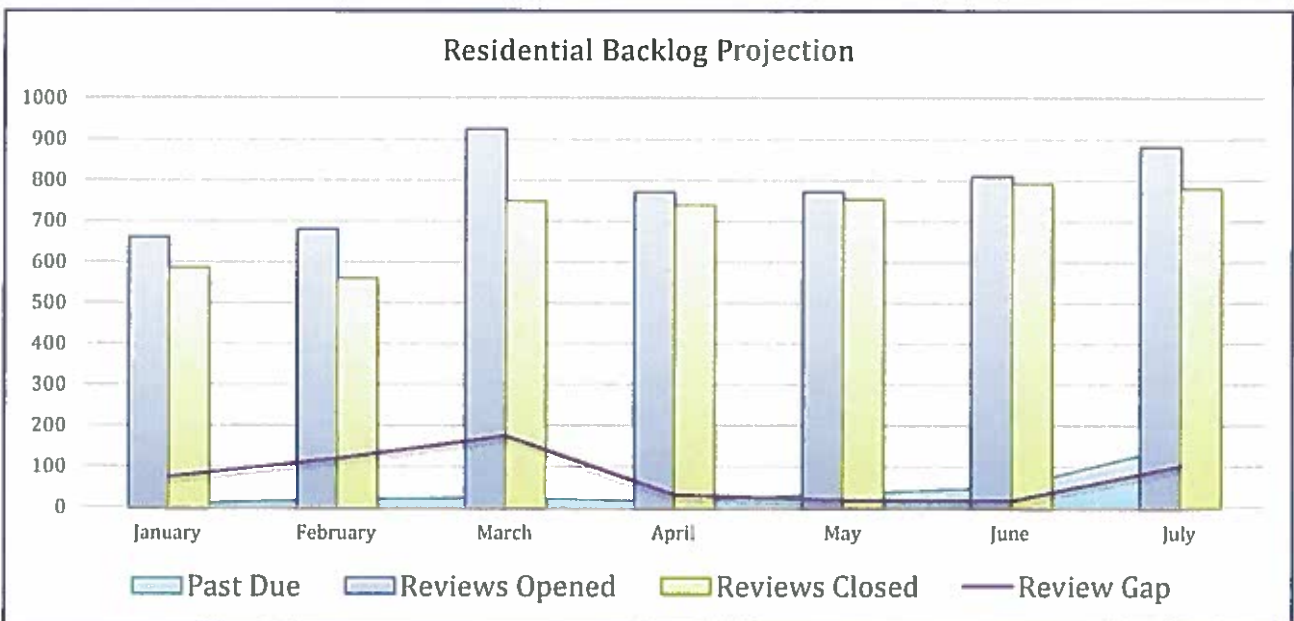


Figure 4: Residential Backlog Projection

*This chart assumes the team can complete 160 reviews/week.

The Commercial Zoning group has also been hit hard by the volume, and their workload always increases during the summer months. The number of requests for zoning compliance letters increased tremendously in 2015. On average it was taking four months to get responses back to the customer. Existing staff in another workgroup volunteered to help with the workload and finished all of the letters submitted in 2015. Since that time, one staff member on the team has been assigned to complete the letters and has been able to stay caught up. However, logged in zoning work continues to be backlogged, though staff have made a significant reduction in that backlog.

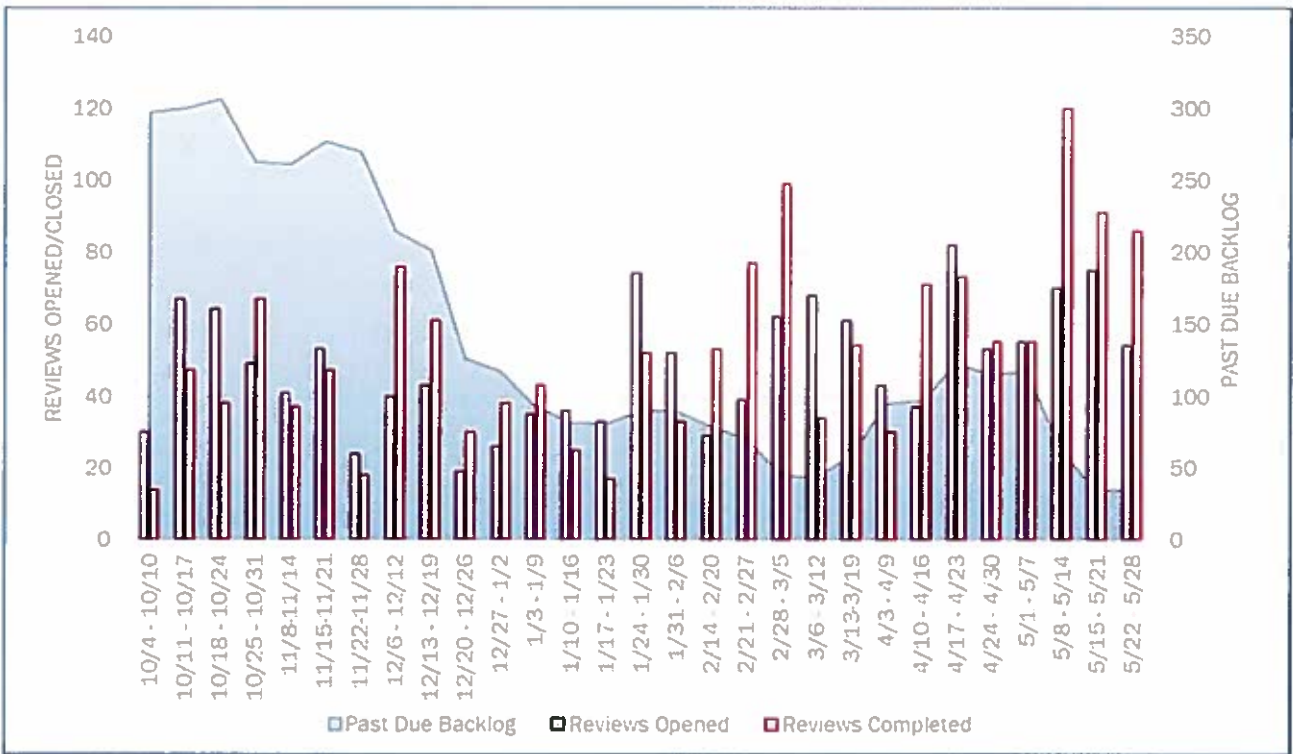


Figure 5: Commercial Zoning Reviews Opened vs. Reviews Completed

3. Inspection Metrics

Due to two major hail storms in 2015, the number of new roofing permits and thus inspection requests have continued to increase. Last fall, construction inspection staff started a weekly Saturday rotation and worked overtime to try and keep pace with the number of inspection requests.

At the end of 2015, CPD had 4,596 requested inspections that were being rolled over as they were not able to be completed as the requests were received; nearly all of this volume was roofing.

In order to eliminate the backlog, CPD proposes to (1) contract with SAFEbuilt for 3rd party inspections, (2) hire additional on-call staff and (3) encourage overtime among our inspectors.

With this combined approach, CPD estimates that we can eliminate the roofing inspection backlog within 12-19 weeks depending on how aggressively we can fill the on-call positions. Below are two scenarios, prepared earlier in the year, including their respective cost, and are based on the assumption that incoming requests remain stable.

Scenario 1: Eliminate Backlog in 19 weeks

Scenario 1	Backlog	Rate	Inspectors	Weekly Inspections Completed	Weekly Cost	Total Cost
3rd Parties	5,000	\$42	2	80	\$3,360	\$64,615
On-Calls	5,000	\$28	3	120	\$3,360	\$64,615
OT	5,000	\$46	5	60	\$2,760	\$53,077
			10	260	\$9,480	\$182,308

Scenario 2: Eliminate Backlog in 12 weeks

Scenario 2	Backlog	Rate	Inspectors	Weekly Inspections Completed	Weekly Cost	Total Cost
3rd Parties	5,000	\$42	3	120	\$5,040	\$60,480
On-Calls	5,000	\$28	6	240	\$6,720	\$80,640
OT	5,000	\$46	5	60	\$2,760	\$33,120
			14	420	\$14,520	\$174,240

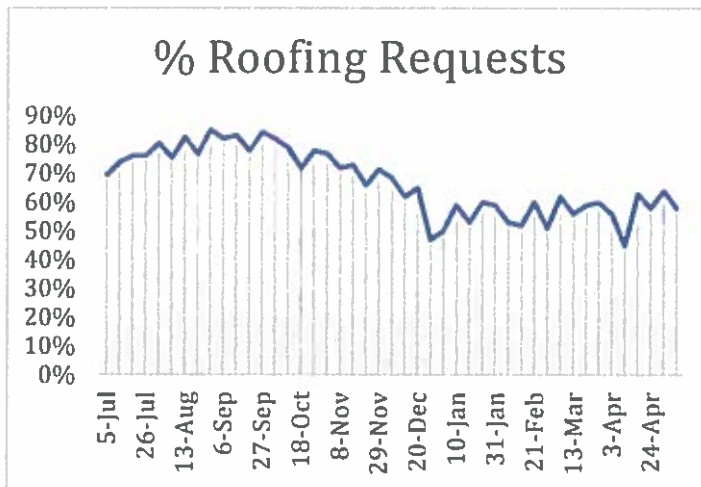


Figure 6: Percent of Roofing Inspection Volume

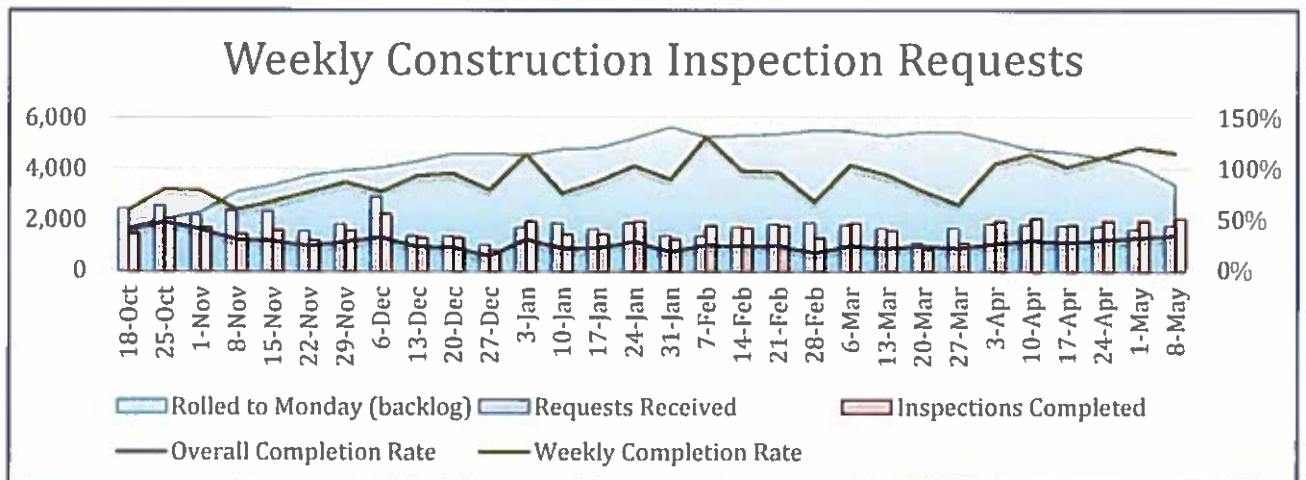


Figure 7: Construction Inspections Requests Received vs. Inspections Completed

4. Additional Concurrent Process Innovations

CPD has moved forward with a number of process improvements to reduce the need for additional staff, but the existing backlog is already to the point that these improvements will only do so much.

- Amended the existing contract with SAFEbuilt to add additional services such as commercial plan review and roofing inspections, and City Council recently approved an increase to the contract value with SAFEbuilt in order to send more residential and commercial projects to them to review
- Expanded the use of third-party inspectors to conduct roofing inspections for single family and duplex projects, and in June will start having SAFEbuilt conduct roofing inspections directly for CPD
- Increased the valuation limit for projects that can be reviewed at the Commercial Walk Through permit counters so that more projects can receive a same day review and permit(s)
- Re-arranged the Residential review team to the format that worked in the fall of 2015 to increase the number of reviews being completed

5. 2016 Supplemental Request

CPD has been meeting every two weeks with staff from the Mayor's office and BMO since the fall of 2015 to report on and discuss permit metrics. As CPD has continued to see an increase in the number of reviews opened versus closed, a plan was put together to look at how this volume increase could be addressed. This supplemental request is for an appropriation from the General Fund in the amount of \$1,364,566 which will be used to hire on-call limited positions, including an on-call review position with Denver Fire, and to fund an existing contract with SAFEbuilt for plan review and inspections. The following table provides an overview of the on-call positions and impact the supplemental will make this year.

Included in the supplemental request is funding for a communications position to serve the permit customers, including homeowners and do-it-yourselfers who are unfamiliar with our permitting and inspection processes. Over the last two years as permit volumes have increased and major new codes and policies have been enacted, and as other CPD initiatives including Denveright and landmark preservation have consumed CPD's limited communications team's bandwidth, CPD has not effectively communicated the essentials of city codes, policies and the permitting process to its customers.

Landmark staff have been hit by staff turnover and an increase in the following categories which represents an overall increase of 27% in review volume 2016 over 2015 through April.

- Design review in landmark districts is up 42% year over year through the end of April which has a 10 day backlog
- Demolition permit reviews and Certificates of Non-Historic Status – demolition permit reviews are up 10% year over year through the end of April and have a mandated turnaround time of 10 days

With changes passed by City Council at the end of April regarding marijuana, CPD has worked closely with Excise and Licenses and the Marijuana Policy Team to establish a multi-agency pre-application meeting for customers seeking to open a marijuana business (or transfer location). The intent of this pre-application meeting is to provide the customer with information up front related to licensing, zoning, building, fire and Environmental Health requirements. Without this meeting, and with the new

regulations, CPD could issue zoning and building permits to locations that could never get licensed. This new process will also allow Environmental Health to provide upfront education on the new odor control plans that will be required. Unfortunately with existing workload, Commercial Zoning does not have the capability to adequately staff this process. Therefore, we are requesting a marijuana-funded Senior City Planner in the Commercial Zoning team to manage this process which we believe will provide more helpful information up front for our customers and reduce the potential for permits and licenses that are issued in error.

CPD believes that the positions and funding requested below will allow staff to make gains on the existing backlog, and not let it increase as the volume of new work coming in continues to increase over the summer.

Plan Review Options	Position Type	Impact	Projected 2016 Cost	Less Vacancy Savings	Potential 2017 Request
Hire 1 on-call plan runner/librarian (ASA IV)	On-Call	2-3 commercial reviews per week	\$18,112		Yes
Hire 1 on-call zoning ASA IV	On-Call	3 zoning reviews per week	\$18,112		Yes
Hire 1 on-call plan archiving ASA IV	On-Call	3 reviews per week	\$18,112		
Hire 3 on-call architects (residential & A/S)	On-Call	15 reviews per week	\$157,950		Yes (2 of 3)
Hire 1 on-call plan review engineer (A/S)	On-Call	5 reviews per week	\$63,180		Yes
Hire 1 Senior City Planner	Limited	MJ only reviews	\$68,403		Yes
Hire 1 Senior City Planner	On-Call	Landmark Support to handle 27% increase in landmark review volume	\$40,014		Yes
Hire 1 Fire Plan Review Engineer	On-Call	10 reviews per week	\$63,180		TBD
Hire 3 on-call Construction Inspectors	On-Call	150 inspections per week	\$88,452		Yes
Hire 1 Plumbing Inspector	On-Call	Inspections remain on-time	\$29,484		Yes
Hire 1 Marketing/Communication Professional II	Limited		\$39,568		Yes
SAFEbuilt funding		20 – 40 residential reviews/month; 15-25 commercial reviews/month and approx. 2000 roofing inspections	\$1,000,000		

Total	15	\$1,604,566 (\$240,000)
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