

Land Use Planning

December 2010

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We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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Date: December 2, 2010

To: Jeff Cogen, Multnomah County Chair
Commissioners Kafoury, Willer, Shiprack, and McKeel
M. Cecilia Johnson, Director, Department of Community Services

From: Steve March, Multnomah County Auditor

As the county has gone through at least a decade of budget cuts, departments and divisions have struggled to find ways to absorb these cuts while still maintaining service levels. Smaller organizations need to be especially flexible and creative in order to continue to get the job done. For small units where specialized skills and knowledge are critical, like Land Use and Planning, resource reductions are even more challenging because the skills needed to perform one job may not transfer well to performing another within the unit. In cases like this, a reduction in staffing can result in a disproportionately larger decrease in capacity.

Our review of Land Use Planning operations and data suggests that LUP may be facing this sort of disproportionate decrease in capacity with its reductions in staff over the past few years. The economic downturn may have temporarily given LUP room to reconsider some operational options that management previously discounted as unneeded or unnecessary and to consider some new approaches as well. In terms of budget, they may also have some flexibility in the fee structure and services that could assist in both funding and workload. Based on our analysis, we believe if workload returns to previous levels or if even a short-term loss of a staff person occurs, it will place tremendous stress on the organization.

We had hoped to conduct an audit with a broader scope than the report here reflects but two factors prevented that. First, during the course of the audit, the death of one of our staff, Joanna Hixon, interrupted portions of the audit. Second, while we looked at our adjacent counties for comparisons, the differences between the makeup in terms of land and populations in the unincorporated and non-urban areas made any direct comparisons inappropriate. In the end it was most compelling to focus on the area which, going forward, most needed attention: the current planning processes and resources.

As the County faces continued budget reductions we need to ask management what will be the effects of any proposed budget cuts and what changes in expectations need to be made in light of them. Management needs to work with staff to adjust processes, procedures and workflow to best meet both demand and fiscal realities. We believe LUP has worked hard to live within constraints while delivering a high level of service; if that is to continue it will take cooperation and creativity from all involved from the front desk to the Director's Office.

C: Karen Schilling, Division Director; Jana McLellan, Chief Operating Officer

Executive Summary

The Land Use Planning (LUP) unit works to “preserve the rural farm and timber economy, protect the environment, and maintain the quality of life in our unincorporated communities.” LUP does this by developing land use policies and plans, by implementing existing policies and laws through the permitting process, and by investigating alleged violations of policies and laws. There are multiple sets of codes, plans, and laws that govern zoning and permissible uses of land within Multnomah County, depending on where the property is located including county, state, and federal rules. Land use laws cover a wide variety of property use and development issues, including adding or altering structures; changing the use for the property; dividing the property or moving the property line; and zoning for agricultural, forest, commercial, and residential use.

The current planning function implements existing policies and laws by processing land use permit applications, reviewing them for compliance with applicable laws and the County Code, and working with property owners and the public to address complex land use issues. Over the course of the last few years, LUP has undergone significant changes in its staffing configuration, budget, and internal work processes, particularly within the current planning function. The objective of this audit was to determine whether work processes and workload distribution are deployed to ensure effective, efficient performance within the Current Planning function.

Overall, we found the Land Use Planning unit to be dedicated, competent, and professional. We also identified a number of areas that need improvement, especially around monitoring, management, and prioritization of work.

Management has addressed budgetary challenges primarily by reducing staffing and re-organizing work assignments. These changes affected current planning capacity more than other areas of LUP. The number of applications LUP has been receiving is down over

the last five years, but we believe that capacity reduction and lack of flexibility have affected LUP's ability to manage even a reduced workload. Audit results show that the current configuration of staffing resources will cause substantial workload problems in the future if improved economic conditions lead to an increase in the number of applications for land use permits or if there are any staffing disruptions, such as vacancies or extended leaves.

While it is unlikely that funding restrictions will ease soon, LUP has other means at its disposal to improve the current situation. For example, LUP should develop and implement a means of prioritizing work assignments and should assess the feasibility of a number of approaches to providing workload relief and work flow flexibility.

Background The Land Use Planning unit works to “preserve the rural farm and timber economy, protect the environment, and maintain the quality of life in our unincorporated communities.” The work toward these objectives occurs in three primary areas:

- ~ Long-range Planning: Engages the public in developing land use policies and plans, updates the County Code to ensure compliance with state and federal land use laws, coordinates regionally on land use issues, and works in conjunction with the citizen-based Planning Commission to develop and carry out work plans.
- ~ Current Planning: Implements adopted policies and laws. Processes land use permit applications, reviewing them for compliance with applicable laws. Works with property owners and the public to address complex land use issues.
- ~ Code Compliance: Complaint-driven program that emphasizes voluntary compliance with land use rules once a violation has been identified.

Generally speaking, properties in unincorporated areas of the County fall within the jurisdiction of Multnomah County's Land Use Planning (LUP) unit. Such properties lie along both the western and eastern edges of the County. They include areas such as Sauvie

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Island and portions of the West Hills in the west, and the Gorge National Scenic Area and rural farm and forest land in the east. The office itself is located in the eastern portion of the County, where it maintains a planning counter that is open to the public. Property owners who wish to make certain changes to their properties may contact LUP for information, schedule a consultation meeting, and work with a planner to process their land use permit application.

There are a number of different sets of codes, plans, and laws that govern zoning and permissible uses of land within Multnomah County depending on where the property is located. These include the County Code, state land use laws, and the Gorge National Scenic Area rules. Land use laws cover a wide variety of property concerns, including adding or altering structures; changing the use for the property; dividing the property or moving the property line; and zoning for agricultural, forest, commercial, and residential use. Building permits for properties in Multnomah County's land use jurisdiction are handled through the City of Portland for properties on the west side, and the Cities of Gresham and Troutdale for properties on the east side, although land use permits are also required for new or altered structures.

Land use permits are classified by designation as one of four types¹ as defined by state law and county code. The four types of land use reviews exist on a continuum of the amount of discretion required in a decision, the extent of public involvement in the decision, and who has the authority to issue the decision. Although planners do handle the other three types, Type II reviews make up the majority of their cases. Type II reviews involve some interpretation of approval criteria, but are generally assumed to be allowable under relevant

¹ Type I permits are generally defined as final approvals of building permits and plans where there are no material deviations from approved preliminary plans. Cases are not technically land use decisions because no discretion is exercised on the part of LUP. Type II cases are defined in the text above. Type III cases primarily include conditional use permits and some land division applications. Decisions are made by the Hearings Officer and reviewed by LUP for potential appeal of the decision. Type IV cases involve significant plan amendments or zone changes for an individual parcel or tract. Decisions in these cases are made by the Planning Commission and final approvals come from the Board of County Commissioners.

zoning codes and do not require a public hearing. The planners' review typically consists of evaluating what form the development will take, how it will look, and where it will be located in relation to other structures and features of the property within the restrictions of relevant laws and codes.

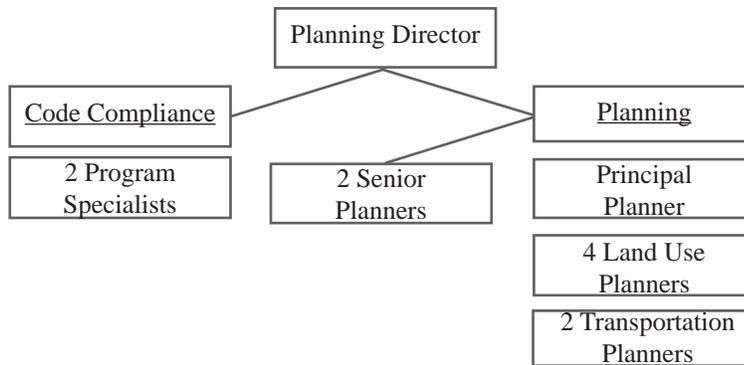
A typical example of an application process for a Type II permit might be as follows: a property owner who wishes to add an accessory structure, such as a barn, to his or her property would contact LUP to determine first whether such a structure is allowable and to schedule a mandatory pre-filing meeting with a planner. During the pre-filing meeting, the planner and the property owner would discuss project plans and feasibility in greater detail, determine what permits are needed, and identify supporting documentation necessary for processing the application. Pre-filing meetings are valid for six months, after which time the property owner would need to schedule another meeting.

The application would be submitted at the LUP office and given to the assigned planner, who has 30 days from that point to review the materials and make a determination on whether the application is complete. If it is not complete, the planner sends a letter to the property owner requesting additional information. Once the application has been determined to be complete, a notice is sent to neighboring property owners within 750 feet of the property, allowing them two weeks to comment. According to state law, the entire decision period for the proposal, including time for any potential appeal of the decision to a Hearings Officer, must be concluded within 150 days after the completeness determination. Multnomah County has its own internal goal to complete decisions within 120 days. LUP can approve an application as is, approve it with conditions that must be met, or deny it.

LUP is organizationally located within the County's Department of Community Services. Transportation Planning and Code Compliance are also located within this unit, although they were outside the scope of the current audit. As of the beginning of Fiscal Year 2011 (FY11), Land Use and Transportation Planning had 12 employees:

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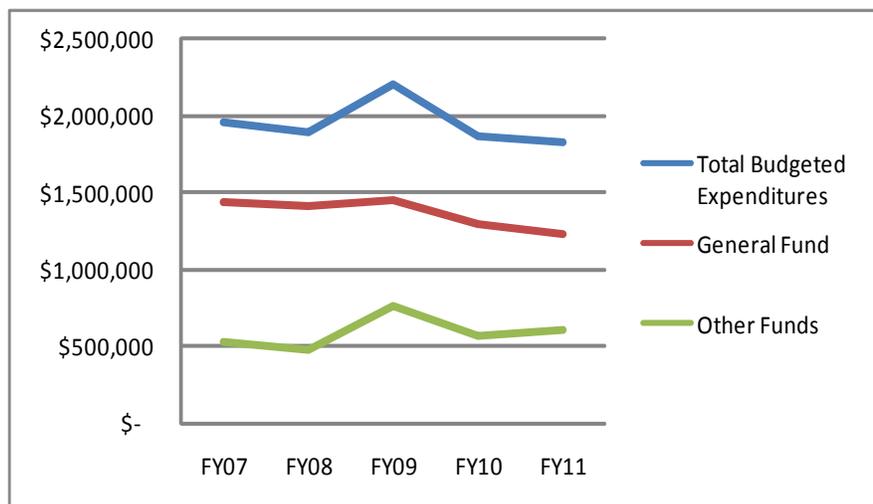
Figure 1: Land Use and Transportation Planning Organizational Chart



Source: Land Use and Transportation Planning

Land Use and Transportation Planning’s FY11 budget was \$1.8 million, down 7% from FY07. The General Fund contribution declined over the past two years, while other funds, such as those from fees, the Road Fund, and intergovernmental sources fluctuated somewhat. Land Use Planning represents 74% of total budgeted expenditures for the current fiscal year, with Transportation Planning comprising the remainder.

Figure 2: Budgeted Expenditures by Fund - Land Use and Transportation Planning (excludes Administration and Support)



Source: County Budget, figures not inflation-adjusted

Statistics provided by LUP management show that the number of land use and compliance actions taken by LUP decreased 41% between FY06 and FY10 (estimate). Actions are defined as preliminary meetings held, land use reviews issued, zoning sign-offs completed, and enforcement cases closed within the fiscal year.

Audit Scope and Objectives

Over the course of the last few years, LUP has undergone significant changes in its staffing configuration, budget, and internal work processes. These changes have had the largest effect on the current planning function within the unit, which is responsible for processing permit applications and working with the public. Because of these changes and because it represents the largest and most public portion of LUP's work, we scoped the audit primarily around current planning. Given that staffing resources have declined due to budget cuts and the number of cases has also declined, the objective of this audit was to determine whether work processes and workload distribution are deployed to ensure effective, efficient performance.

We initially planned a broader review of LUP, including identification of process improvement opportunities, comparison to other jurisdictions, and evaluation of LUP against industry best practices. However, the death of Senior Auditor Joanna Hixson during this audit caused us to eliminate these objectives from our fieldwork plan and re-scope the audit as defined in the paragraph above.

This performance audit was included in our 2010 audit schedule and was conducted in accordance with generally accepted audit standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Results

Summary

Overall, we found the Land Use Planning unit to be competent, professional, customer service-oriented, and committed to high quality work and upholding state and local land use laws. However, we identified a number of issues around monitoring, management, and prioritization of work that require attention in order for the unit to operate effectively now and into the future.

To address reductions in the General Fund, management reduced staffing and re-organized work assignments in LUP. The net effect of these changes has diminished current planning capacity within the unit: there are fewer planners and fewer members of the overall staff assisting with the current planning function. Reductions have not been counterbalanced by adjusting expectations or scaling back on services to reduce the pressure of the increased workload on the remaining planners. The number of applications LUP has been receiving is down over the last five years, but we believe that capacity reduction and lack of flexibility have affected LUP's ability to manage even a reduced workload. Flexibility to adjust to changes in workload is limited due to long-standing practices or expectations in a number of work areas. These conditions put LUP at risk of decreased work quality, poor customer service, missing deadlines, and a crisis-oriented and stressful work environment. The effects of these changes are beginning to be evident in workplace conflict and morale issues that increase the risk for performance and quality problems.

Audit results show that the current resource deployment will likely not be sustainable into the future if improved economic conditions lead to an increase in the number of applications for land use permits or if there are staffing disruptions of any kind. Following are our observations about workload management in the unit and recommendations for improvement.

Workload and Staffing Changes

Our analysis of case data shows that the number of new land use applications per year has dropped 48% over the past five years. LUP staff members indicate that poor economic conditions have led to a

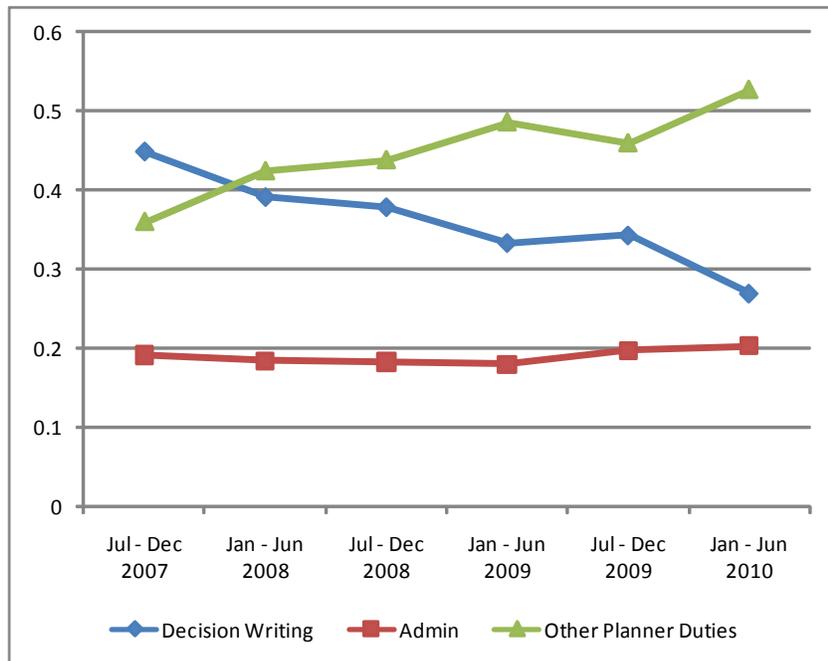
decrease in the number of property owners thinking about making improvements to their property or building new structures. Meetings held with customers who are considering submitting land use applications were also down 35% over five years.

During this same time and including the current fiscal year, overall budgeted staffing in LUP decreased about 25%. The most recent position elimination was of a staff-level planner. Although it is prudent to adjust staffing levels as workload decreases, we found that overall capacity has been reduced to the minimum necessary to continue current planning operations, defined as permit decision writing, pre-submission work, and working the counter. Specifically, we found the following conditions effecting current planning capacity:

- ~ The number of staff members who are available to support the current planning function has declined over the past four years, from eight staff members to five assigned at the present time: four staff planners and a senior planner. This constitutes a 38% decrease of available staff who are assigned to work directly on current planning cases.
- ~ The remaining planners have increasing and ongoing responsibilities in areas other than writing decisions for permit applications, including working with applicants prior to the submission of their applications, handling permits for code compliance cases, staffing the 'planner on duty' counter, addressing transportation planning issues that arise in land use cases, and working on long-range planning projects.

The chart below shows the decrease in the percent of current planners' time spent on writing decisions for pending land use applications while time on other duties increased. Data are from the last three fiscal years (FY08-FY10), before which detailed time information is not available.

**Figure 3: Current Planning - Available Time Distribution:
Four Existing Current Planners**



Source: Auditor's Office analysis of LUP current planners' recorded timesheet data
 Note: "Other Planner Duties" include counter/public assistance, pre-submission assistance, long-range planning, planner involvement in code compliance cases, inspections, and special projects.

Staffing Needs Analysis

To better understand how the staffing and organizational changes affected the remaining current planning staff, we examined workload and time data from the last three fiscal years (FY08-FY10). Using these data, we estimated the amount of time staff level planners would need to complete their work on land use decisions under three different scenarios in FY11. We found that, under each scenario, staffing resources are not currently adequate to ensure high quality and timely work without adjustments to how workload is managed. Results are presented below.

The amount of time taken to complete each type of case fluctuated over the three year study period. Barring a significant change in LUP business processes, we would expect the number of hours necessary to complete a case in FY11 would be close to the three-year average

of time taken to complete decisions. See Figure 4 below. Given the current staffing resources, an increase in the amount of time it takes to complete cases, an increase in the number of cases, or an absence of significant length by any of the current planning staff would increase time and workload pressures on planning staff and put the County at risk for a significant drop-off in the quality of the work performed.

Figure 4: Average Staff Planner Hours per Closed Case by Type

FY08-FY10		
Case Type	Total Closed Cases	Avg. Hours
Type I (i.e. building permit review, erosion control permit)	125	5.76
Type II (i.e. accessory structures, property line changes)	180	31.30
Type III (i.e. major sub-divisions, conditional user permits)	5	70.80
Type IV (i.e. significant zoning changes)	1	68.25

Source: Auditor's Office analysis of LUP case data

To illustrate this risk, we estimated the number of full-time equivalent (FTE) staff positions that would be required to complete the work under multiple scenarios. We calculated the average actual time charged by staff for all activity types, multiplied by various workload scenario factors. The first scenario assumes that the number of cases and distribution of case type in FY11 is the same as it was in FY10. The second scenario assumes that distribution of case type is the same, but the number of cases of each type increases by 10 percent. The final scenario assumes that the number of cases decreases by 10 percent. In all three scenarios, we assumed that the amount of time spent on other tasks, such as work on long-range planning and staffing the Land Use counter, were constant.

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Figure 5: FTE Projections

	No Case Volume Change	+ 10 % Case Volume Change	-10 % Case Volume Change
Land Use Decisions	1.03	1.14	0.93
Pre-Submission Land Use Counter /	0.43	0.47	0.38
Public Assistance	1.17	1.17	1.17
Long-Range Planning	0.49	0.49	0.49
Code Compliance	0.11	0.11	0.11
Administration	1.08	1.08	1.08
Total Estimated FTE	4.31	4.46	4.17

(based on 1740 hours)²

Source: Auditor's Office analysis of LUP case data, operating hours, and time data

Based on our analysis and assuming that land use decision writing time moves toward the average, we concluded that in all three scenarios, the amount of staff time needed to conduct current planning is greater than the number of staff time available if commitments to other functions remain the same. While we did not estimate the effect of a significant increase in the complexity of cases LUP receives, this would have a similar effect on the FTE necessary to do the job by increasing the average number of hours necessary to complete each case. A significant absence by any member of the current planning staff, such as a prolonged illness, would also increase the number of FTE necessary to complete work at any level because the number of hours constituting an FTE would decrease.

Workload Management and Flexibility

Effectively managing various projects, case workflow, and multiple deadlines is a challenging but crucial element of LUP's day to day business. The land use application processing portion of current planning workload is mandatory. When an application comes in, state law requires that a decision be completed within 150 days

² We estimated the number of hours that constitute an FTE (full-time equivalent employee) by taking the average of the number of hours charged by current planners less leave, holiday, and training hours charged. The average for these planners was 1740 hours per year.

(Multnomah County has a 120 day goal) for most applications, a timeframe within which several other deadlines and performance targets are set.

Outside of the constraints of deciding and issuing land use permits, many of the other duties performed by land use planners are discretionary or operate under fewer restrictions. For example, offering consultation meetings with clients prior to submitting their applications, the number of hours the counter is open for walk-in service, and completion of some long-range planning projects are all based on internal decisions rather than state imposed deadlines or requirements. In order to effectively handle fluctuations in its workload, LUP would be best served by ensuring that mandatory tasks are fully covered first and that discretionary tasks and those without deadlines are addressed flexibly.

We found that work is not always effectively prioritized; internal milestones and scheduling deadlines make managing individual cases difficult; and duties are often segregated, making it difficult to achieve flexibility. We identified a number of areas that we believe offer opportunities for increasing flexibility, decreasing pressure on staff, and more optimally deploying existing resources. Any redeployment of staff would require ensuring adequate skills and knowledge of land use code.

Planning Counter

The Planning Counter is open from 8:00 am to 4:00 pm four days per week and is available for applicants to speak one-on-one with a planner and conduct research on properties. Planner on Duty responsibility rotates among the four current planners, generally entailing one day of counter work per week, plus one day of covering lunch for the planner on duty. A back up planner is also assigned each day, so that additional help is available for customers if there is a long wait for service at the counter. Counter duty also entails following up on issues that arise during the day and returning phone messages left on the main land use line. These duties can add hours of work, according to planners, and are unpredictable in their complexity.

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We estimated that staffing the planning counter requires the equivalent of .94 FTE, with up to an additional .23 FTE required for following up on questions that arise during counter duty and other public assistance activities. This figure is based on the number of hours the planning counter is open divided by a calculated number of hours per year a staff member is available, taking into account leave and training time. The additional .23 FTE is a conservative figure, based on actual time charged to counter and public assistance beyond the number of hours the planning counter is open. With fewer planners, the hours required to fulfill this function are spread among the remaining current planning staff.

Given the increasing demand of counter time on planners' work, management could consider the following alternatives:

- ~ Increase the number of LUP staff that are trained to staff the counter: senior planners, the principal planner, transportation planners, and code compliance staff either already have the knowledge or could be easily trained. Technical backup would be available from current planners.
- ~ Reduce the hours the planning counter is open. If this alternative is considered, LUP should compile data on counter traffic to match open times with peak usage.
- ~ Hire a planning technician or assistant planner to staff the counter, if additional funds become available in the future. This staff member could also pick up on other duties as necessary.

Pre-Submission Consultation

Current planning staff members are spending a larger percentage of their time in meetings to assist potential applicants with the land use application process, approximately 12% of their time as of June 2010, up from 6% in 2007. The majority of such meetings are pre-filing meetings, which LUP requires before submitting a Type II case. Pre-filing meetings are offered free of charge.³ These one-hour meetings are scheduled in advance and

³ There is only a charge for Pre-Application Meetings, which are public meetings held with applicants who are preparing to submit a Type III or Type IV permit.

generally take a few hours of preparatory work for the planners to prepare written notes and guidance for potential applicants to be shared during the meeting. The purpose of these meetings appears to be providing advisory service to customers as well as increasing the quality and completeness of applications being submitted. Not all customers who have a pre-filing meeting end up submitting applications.

Once applications are submitted (after the pre-filing meeting), LUP staff have 30 days to determine whether the application is complete before they move into the decision-writing phase of the process. We reviewed all applications decided during 2009 and found that 67% did not initially pass the completeness review on first submission, meaning that additional information had to be submitted before the application was considered complete. Although we do not have data to compare from a period before pre-filing meetings were mandatory, we believe that these meetings may be taking too much of planners' time with marginal benefit in exchange. While it is a significant service for applicants, especially those who have not had experience with land use permits, it may be one that LUP can no longer afford to provide to every customer at the same level as it has in the past.

There are a number of ways to address this issue, each of which could require changing County code. Ideas include:

- ~ Charge a nominal fee for pre-filing meetings, such as \$100, with that fee deducted from the permit fees if an application is submitted. This would reduce the number of pre-filing meetings held for those who are undecided about whether to apply for a land use permit.
- ~ Eliminate pre-filing meetings or make them optional.
- ~ Triage cases and recommend meetings to those potential applicants who have complex proposals or little experience with land use permitting.
- ~ Allow applicants to opt out of the meeting (via waiver, if necessary).
- ~ If time permits, planners could scan through the documents

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with an applicant at the counter to ensure that all necessary paperwork is there before it is submitted. Although this would not substitute for the more thorough completeness review, it could eliminate some additional work on the part of the planner and the customer to clarify and submit required information. A planning technician or associate could help conduct this work, if such a position were created.

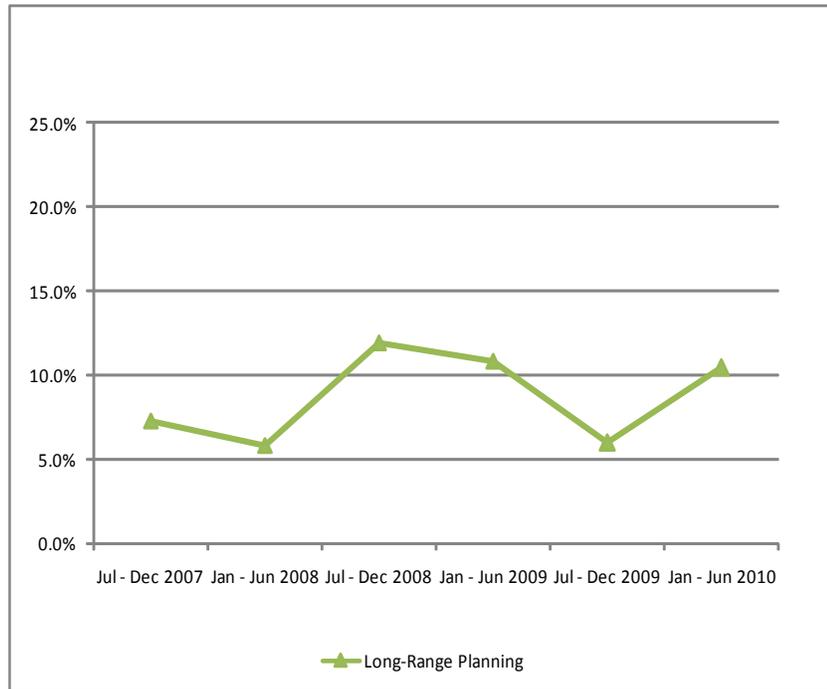
Long-Range Planning

Current planners also have responsibility to work on projects for the County's Planning Commission, which deals with long-range planning. These projects range from relatively short updates of County Code to longer-term revisions to the various comprehensive land use plans in place around the County. Some of these tasks are mandated, but others are at the request of the Planning Commission or at the discretion of management. Work in this area is overseen by a Senior Planner whose primary responsibility is long-range planning.

Long-range planning cases and projects are sometimes on a very short timeline in order to accommodate the meeting calendar and review periods of the Planning Commission. This short timeframe can force planners to set aside their current planning workload to concentrate on long-range projects, which take precedent because of their quick turn-around requirements. However, some of this work is not mandatory. Planners also noted that it was difficult to jump between long-range and current planning roles because they were very different in nature and in how they needed to be managed and approached.

Figure 6 below shows fluctuations in the percent of available work time the four current staff planners spent on long-range planning projects over the last three years. These projects have taken between 6% and 12% of their time.

Figure 6: Long-Range Planning Time - Available Time Distribution for Four Existing Current Planners



Source: Auditor's Office analysis of LUP current planners' recorded timesheet data

In the absence of additional staff resources to address long-range planning needs, we believe better balance and better calendar management could be achieved by considering the following:

- ~ Reduce current planners' responsibilities in this area when workload is high.
- ~ When the current planning workload allows, dedicate a portion of a current planner's time to this function rather than spreading the cases out across all planners.

Code Compliance Cases

The Code Compliance function in the County is set up to be kept separate from the current planning function, so that there is no appearance of bias or unfairness when a property owner tries to work through a code violation citation via the permitting

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process. In practice, this means that code compliance cases are turned over to current planners when correction through permitting occurs. Although planners do not typically spend a large portion of their time on code compliance cases (about 2%-3%), we believe that code compliance staff could write the decisions for their own cases and have planners, a senior planner, or the planning director review and sign the decision before it is issued. This would increase efficiency, provide valuable experience for the code compliance staff, and free planners up to work on other cases.

120 Day Internal Performance Target

Management has established an internal target of 120 days for current planners to complete decisions on land use applications and bases its primary performance outcome measure on attainment of this goal. State law sets the limit for completing decisions at 150 days. While we applaud the department for setting more ambitious targets and measuring its performance against this target, this may be an area where additional flexibility is called for.

Application Completeness Determination

We interpret Multnomah County Code (MCC 37.0600D) as saying that the clock for the 150 day (120 day internal goal) period allowed for a decision on a case should begin on the day the Planning Director (or staff, acting on her behalf) determines the application to be complete. In practice, however, if an application is complete upon submittal the clock starts on the date of submittal, even if it takes a planner 30 days to determine that it is complete. Although it may be good customer service, in such cases this could equate to a significant loss of allowable time to complete a decision on a case. We believe some flexibility could be added and the calendar could be better managed by starting the clock on the day the application is determined to be complete.

Hearings Officer Scheduling

Currently, the Hearings Officer is scheduled to hear cases once a month, which can cause significant difficulties with calendar management. Planners must build in enough time for an appeal,

meaning that they have substantially less time to write decisions than the 120 days noted above. LUP should explore the possibility of either bringing in Hearings Officers as needed or more frequently for fewer hours.

Performance Monitoring and Measurement

In this environment of shrinking resources, fluctuating workload demands, and complex, overlapping deadlines, effective management of resources and performance must rely heavily on robust and regular monitoring. LUP currently collects data and reports on a number of performance measures, but these are high-level, aggregated measures primarily collected for reporting in the County budget. With some exceptions, there does not appear to be a consistent, deliberate effort to use performance and workload data in management decision making.

The division has recently converted to a new, custom-built data system that will eventually allow for more meaningful, accurate status and performance reports once it has been fully implemented and adjusted to the divisions needs. This will help provide timely and relevant data for management. We believe that additional steps should be taken to ensure that LUP is maximizing its use of data to help manage its workflow, workload distribution, and performance.

Planners' available time information should be taken into account when planning and assigning work and evaluating planners' performance. This would also allow management to add to its current monitoring tools, which focus on case numbers and how deep into the calendar each case has gotten. The recommendations throughout this report for adding flexibility to the work of planners will require such time availability information.

The "Statistical Snapshot" produced periodically by LUP provides detailed workload measures such as number of walk-ins, land use reviews, pre-filing and pre-application meetings, zoning sign offs, etc. data on common permits issued and common types of development are presented to show local area trends, customer survey data are reported and staff hours by task are also shown. All measures are compared to the prior fiscal year. We recommend that management increase reporting frequency to quarterly, expand the number of

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comparison points to multiple years, share the information with staff, and use it as a basis to adjust staff assignments throughout the year to match trends to staff availability.

LUP also has robust customer satisfaction and interaction data available through their customer survey, but collection and reporting of the survey needs improvement. The survey is given inconsistently to customers at the conclusion of their visit at the counter. This results in very low distribution and response rates as well as potential bias in respondent selection. We recommend that each customer be given the survey upon their arrival at the front counter, with a request to fill it out at the conclusion of their visit. This approach would eliminate the possibility of bias in the survey. We also recommend that survey administration occur during specified times, such as one week per month, rather than on an ongoing basis, to reduce the burden on staff. During this audit, we brought to the attention of management that no follow up was occurring on the customer surveys, even in those instances where respondents had requested a follow up from LUP. Management responded to our observation by reinitiating its follow up procedure and assigning it to the senior planner for current planning.

Recommendations

I. In order to effectively manage fluctuations in workload, LUP should develop and implement a means of prioritizing work assignments, with mandatory tasks fully covered first and discretionary or longer-term tasks assigned as time permits. This effort should be done in consultation with staff and revisited on a regular basis.

II. LUP should assess the feasibility of a number of approaches to providing workload relief and work flow flexibility, and then implement such approaches, including:

- a. Decreasing the percent of their time planners spend working the planning counter and providing public assistance.
- b. Decreasing the amount of time planners spend working with potential applicants prior to their submission of an application.
- c. Reducing planners' responsibilities for long-range planning projects when workload is high and/or dedicating a portion of a current planner's time to this function and decreasing other responsibilities rather than spreading the cases among all planners.
- d. Having code compliance staff write the decisions for their own cases with review and signature by a planner, senior planner, or Planning Director.
- e. Increasing calendar flexibility by starting the 150-day clock for all applications on the day the planner assigned to the case determines the application to be complete.
- f. Improving calendar management by bringing in a Hearings Officer on an as needed basis or more frequently than the current once a month.
- g. Considering flexibility in the internal goal of completing decision writing within 120 days in situations where workload is heavy

III. In order to improve the usefulness of management information and improve performance management, LUP should:

- a. Increase Statistical Snapshot reporting frequency to quarterly, expand the number of comparison points to multiple years,

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share the information with staff, and use it as a basis to adjust staff assignments throughout the year to match trends to staff availability.

b. Revise procedures for administration of the customer satisfaction survey by giving each customer the survey upon arrival at the front counter, with a request to fill it out at the conclusion of their visit and limit survey administration to specified times, such as one week per month.

- Audit Methodology
- The audit work consisted of the following:
- Review of relevant laws, plans and rules.
 - Interviews with all Land Use and Transportation Planning staff, administrative staff assigned to the unit, District 1 and 4 Commissioners, and others. We also spoke with a land use applicant who had complaints about the process.
 - Analysis of case data collected by LUP.
 - Analysis of time data collected in SAP, the County's enterprise system.
 - Merging of case and time data to assess workload at greater detail.
 - Observation of planners conducting pre-filing and pre-application meetings, performing counter work and interacting with potential applicants, and discussing cases during staff meetings.
 - Participation in ride alongs for code compliance violation, as well as a regular site visit.
 - Observation of Planning Commission meetings, hearing officer case appeal, goal exception hearing, and urban and rural reserves hearings.
 - Review of the procedures by which Multnomah County reviews and decides land use applications.
 - Review of best practice literature and audits from other jurisdictions.
 - Review LUP policies, procedures, and performance measures.
 - Assessment of risk based on COSO, performance measures, best practices, other audits, and interviews and observation.

Time data was obtained from SAP. Because it provides the basis for payroll and must be approved by management, we believe that these data are reliable. A list of codes was made available to us by finance staff in the Department of Community Services, so that we were able to identify to which projects staff attributed their time. We then categorized projects for further analysis.

Case data were obtained from the new data system at LUP and were provided to us by a senior planner there. We corrected errors and problems in the data in conjunction with the senior planner at LUP as we cleaned it for our analysis. We combined the case data with time accounting data downloaded from the County's financial system in order to determine how many hours were charged to each case, when the case originated, and if it was open or resolved. We then determined the average number of hours required to resolve a case and the number of hours spent on cases that had not yet been resolved as of the end of fiscal year 2010.

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Responses to Audit



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M E M O R A N D U M

TO: Steve March, County Auditor

FROM: M. Cecilia Johnson, Department Director 

DATE: November 23, 2010

SUBJECT: Land Use Planning Program Audit Response

The Department of Community Services has received the Land Use Planning (LUP) program final audit report. We would like to express our appreciation for your effort in examining the work processes and workload distribution employed in the program. As we expressed at the beginning of the audit process, the Land Use Planning program had never been audited before and we looked forward to a comprehensive review of the County's Land Use Planning program. Unfortunately, however, the scope of your audit was limited to particular focus on the current planning process and resources.

We are pleased that you have affirmed our identification of the issues that every Multnomah County program struggles with on a regular and ongoing basis: juggling priorities, balancing customers' needs with available resources, and recommending what services should be provided for fee or as a basic service to the public. As a result of the fiscal constraints and staff reductions we have faced during the past decade, we are all challenged with finding more efficient and effective solutions in providing a high quality of services for less cost to the citizens we serve.

Although we were both disappointed with the limited scope of the audit as well as the suggestions for change that we have vetted in the past, this is certainly as good a time as any to review some of the practices and procedures in our operations. The primary suggestions regarding increasing the FTE equivalent, which is down 25% since FY 2006, is not likely to occur in an economic climate where land use actions taken by LUP have decreased by 41%.

Should the next audit for Land Use Planning be completed in the not so distance future; we would look forward to the broader review as originally scoped, including the identification of process improvement opportunities, comparison to other jurisdictions and research and evaluation of best practices in the industry.

I would like to acknowledge the professionalism of your staff in working with DCS Planning staff, especially concerning the flexibility that is required when working within the mandated deadlines of our profession.