

OUTREACH IMPLEMENTATION PLAN AND GRANT CRITERIA

Grant Implementation Plan

I. Purpose of Matching Grants

Reduce the regulatory cost of residential and other types of construction by providing funds on a matching grant basis (75%/25%) to state and local governments to assist them in undertaking specific actions with stakeholders in their communities to streamline their building regulatory systems through the effective application and use of information technology to enable their construction community to: “build faster, better, safer and at less cost.”

II. Background to Outreach Implementation and Grants

Over the past 3 years, the 44 national partners in the Alliance for Building Regulatory Reform in the Digital Age have worked together with the assistance of federal and other Alliance partner funding and in-kind services to assemble best practices and develop work products that support the streamlining of state and local building regulatory systems through the effective application of information technology.

The Alliance, in April 2002 in response to a request from the White House Office of Science and Technology Policy, submitted a proposal for federal funding to support the development of Alliance streamlining products and services, and to develop and conduct, over a four-year period, a series of matching grants to state and local governments that assist them in streamlining their building regulatory processes through the effective application of information technology. The grant project was envisioned as having two phases. Phase I in year 1 would award four demonstration grants, one for each region of the nation, to gain feedback on how to make the larger second phase of grants as effective as possible. Phase II in years 2-4 would award, on a competitive basis, 20 to 40 grants to state and local governments to undertake streamlining projects using information technology.

The Alliance’s Affordable Housing Task Force in the spring of 2003 applied to the U. S. Department of Housing and Urban Development for funding for several tasks to support the effective application of Alliance products and services to reduce the cost of residential construction in the United States. One of those tasks was the development of an outreach implementation plan and draft criteria for the above matching streamlining grants to state and local governments.

In January 2004, HUD authorized the initiation of this project. In a project work plan, NCSBCS, on behalf of the Task Force, identified the creation of a project work group to assist NCSBCS staff in developing the Outreach Grant Implementation Plan and Matching Grant Criteria. This submission is the updated work product of that Task Group - an Outline of the Outreach Grant Implementation Plan. This draft was developed by NCSBCS for the Task Work Group’s review with input from the National Governors Association’s Center for Best Practices. The National Association of State

Chief Information Officers provided us a template for this plan that was the grant criteria developed by NGA and NASCIO in conjunction with the U. S. Department of Justice for grants to states and localities to develop a unified criminal justice data exchange system.

III. Problems Grants Address

Over 44,000 jurisdictions adopt and/or enforce building codes in our nation protecting and serving over 95% of our population and regulating our nation's over \$ 2.5 trillion construction industry. Where they are effective and efficient, construction regulatory systems ensure public safety, affordability, and quality in new and existing buildings every day and during disasters. Where they are not effective or efficient, regulatory systems increase costs to our citizens in poor quality, poor performing, or in adding unnecessary time delays and duplicative regulatory costs. For example:

THE BAD:

1. The insurance industry estimated that poor codes and codes enforcement contributed between 30 and 40% of the over \$ 15.5 billion in insured losses in Florida from Hurricane Andrew.
2. INTEL has documented that delays in the building regulatory process can cost their firm up to \$ 1,000,000 a day in the cost of money supporting a manufacturing plants construction and lost sales from that plant not opening on time.
3. First responders from jurisdictions outside of New York City were severely hampered in their ability to provide support in the rescue and recovery efforts in the wake of 9/11 by a lack of uniformity in the technical provisions in building codes and standards between their jurisdictions and inability to readily access as-built building plans.

THE GOOD:

1. The City of Los Angeles, California, in streamlining their building regulatory process and making effective use of information technology reduced the median wait time at permit centers from 2-3 hours to 7 minutes; reduced a plan check time from 10 weeks to an average of 10 days, and reduced inspection wait times from 4 to 5 days to less than 24 hours for 99% of all inspections. During this time LA handled an 88% increase in construction activity with only a 1.5% increase in staff.
2. Over 30 jurisdictions in Silicon Valley California came together and reduced the number of technical amendments in their building codes from 400 to just one and produced an initiative to develop common on-line permitting processes within their region.
3. The Alliance for Building Regulatory Reform in the Digital Age has assessed several streamlining processes that now use IT and if they were applied across the nation they would save the construction industry over \$15 billion a year.

In this time of extremely tight state and local government operating budgets state and local jurisdictions need assistance in gaining access to the above best practices and providing them technical support in bringing together the stakeholders in their

communities to support regulatory streamlining and the effective application of information technology.

The purpose of these proposed matching grants to state and local governments is to provide communities across the nation with seed money to help support their undertaking regulatory streamlining initiatives of their own.

IV. Outline of Grant Development Process

A. PHASE I: Actions to Gain Federal Funding for Grants Program

1. Revise original April 12, 2002, proposal to White House Office of Science and Technology Policy incorporating grant criteria outreach plan developed under this Task. (Time Frame – May 18, 2004)
2. Submit revised proposal to Alliance Partners for adoption and support. Alliance develop own implementation plan and execute. Plan identifies other stakeholders and role they can plan in gaining funding/implementation of grants program. (Time Frame – May 25, 2004)
3. Meet with OSTP and senior officials of federal agencies involved in streamlining/Alliance project for support for implementation/funding of this project. Include as part of session updated Business Plan for Streamlining Building Regulatory Process through Information Technology. (Time Frame – June 5, 2004)
4. Provide update reports to Alliance partners on funding progress. (Time Frame – Monthly)

B. PHASE II of Outreach Grants: Four demonstration grants, one in each region of U. S. Propose 4 grants of \$250,000 each on a 75%/25% federal state/local match with in-kind services being credited to state/local match.

1. Hold national workshop for grant applicants to go over project objectives, award criteria, timetable.
2. Outline of Demonstration Grant Award Criteria
 - a. Objective of Demonstration Grants
 - b. Grant Criteria - Successful Applicant Jurisdictions must:
 - 1) Grant applications must be accompanied by a commitment letter from the governor or mayor or head of county commission of the jurisdiction applying for the grant.

- 2) Grant must be accompanied by commitment letters from stakeholders providing in-kind services to this project. Stakeholders may include construction industry, citizen groups, other elected or administrative officials, and private sector firms.
 - 3) Grant must clearly identify the regulatory barrier(s) being addressed by this streamlining implementation grant and project timetable and list of milestones to complete this initiative.
 - 4) Grant must identify the steps being taken in the project to restructure existing building regulatory system (or steps that have already been taken to restructure existing building regulatory system) to make application of information technology to building regulatory process practicable and effective.
 - 5) Grant must identify hardware/software being considered for application, and steps jurisdiction will take towards procurement of that hardware/software.
 - 6) Grant must identify funding resources (not from federal portion of grant) that will be used to acquire hardware/software.
 - 7) Grant provides a reporting mechanism back to the Alliance including lessons learned that are helpful to future streamlining grant awardees.
 - 8) Application will note that following grant period, awardee will provide to Alliance for 2-year period, documentation of savings being achieved by jurisdiction/homebuilders/construction industry/consumers from the application of the streamlining program.
- c. Grantees are not eligible for funding in second year of project but may reapply in third or fourth year for follow-up or new projects.
- d. Regional basis will include: Northeast/South/Midwest/West and conform to National Governors Association definitions of states/territories within each region.
- e. Sample streamlining models include:
- 1) Oregon Uniform State-on-Line Permitting Process
 - 2) Model one-stop permit process
 - 3) Minnesota Model State Regulatory Consolidation Process
 - 4) Los Angeles Model Streamlining Project
 - 5) Industrialized Buildings Commission – An Interstate Compact
 - 6) Fairfax County, Virginia, Building Department Streamlining
 - 7) Voice Response Automated Inspection Systems, Cedar Park, Texas

C. PHASE III of Outreach Implementation Project: 3 year project with 20 to 40 grants awarded on competitive basis to state and local jurisdictions on same 75%/25% matching grant basis. Efforts will be made to balance awardees by state/city/municipal/county basis and spread awards across nation. Grant amounts will be smaller than demonstration grants with awards running between \$30,000 and \$100,000 depending upon nature of project.

1. Objective of Phase III: Build upon lessons learned in Phase I, and expand effective streamlining of building regulatory process to reduce regulatory costs of construction through the effective use of information technology.
2. Hold second national workshop on grants program. Provide information on how to apply, grant award criteria, and lessons learned from demonstration grants and reports from demonstration grant jurisdictions on their projects.
3. Proposed Grant Award Criteria: Same criteria as Phase I Demonstration Grants with modifications made based upon Phase I experience plus criteria for determining size of matching grant to be awarded to jurisdictions.
4. Phased awarding of grants on annual basis. Each grant running for 1 year.

D. BEYOND PHASE III: Explore foundation and other funding sources for continuation beyond year 4 of this streamlining implementation grant program.