

CITY OF LOS ANGELES
INTERDEPARTMENTAL CORRESPONDENCE

DATE: April 5, 2013

TO: Honorable City Council Members
of the Planning and Land Use Management Committee

FROM: Michael J. LoGrande, Director 
Department of City Planning 

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Department of Building and Safety

SUBJECT: **REALIGNMENT OF CITY DEPARTMENTS**

At its meeting of February 12, 2013, the City Council adopted the action under Council File No. 13-0046 relative to *"recommendations and a framework for establishing a streamlined system to provide oversight of land use and planning administration."* The recommendations for Council action were pursuant to a motion led by Councilmember Englander and seconded by Councilmember Krekorian, at the January 29, 2013, Planning and Land Use Management Committee meeting, which states,

1. *"DIRECT the Department of City Planning (DCP) and the Los Angeles Department of Building and Safety (LADBS), with the assistance of the City Administrative Officer (CAO) to report back within 30 days with recommendations and a framework for establishing a streamlined system to better improve service delivery."; and*
2. *"INSTRUCT the Los Angeles Department of Transportation and the Department of Public Works, and other City departments as necessary, to work with the CAO to provide recommendations of additional organizational efficiency that can be achieved in combination with the services provided by the DCP and the LADBS."*

This action comes at a pivotal time citywide, where policy changes, zoning practices, technology enhancements, organizational realignments, and streamlining efforts are all under discussion and is preceded by prior efforts aimed to consolidate and streamline City processes. One such effort is reflected by Councilmember Englander's Budget Instruction of May 21, 2012, to the Planning Department (CF No. 12-0600-S97), to report back to the Planning and Land Use Management Committee on *"assuming the Plan Check and Inspection functions from the Department of Building and Safety"*. Similarly, Mayor Villaraigosa's Memo, "The Path Towards Fiscal Sustainability" of October 22, 2012, highlights the need to consolidate development services.

The Englander-Krekorian Council Motion reflects the City's efforts to reconsider current functions of various departments in order to make significant improvements to the development process in Los Angeles. This report provides a joint recommendation from the Director of Planning and the General Manager of the Department of Building & Safety to improve the delivery of development services in Los Angeles.

EXECUTIVE SUMMARY

This report sets forth a joint recommendation from the Director of Planning and the General Manager of the Department of Building & Safety to functionally integrate their respective departments to create the Department of City Planning & Development. The recommendation also includes the integration of key development functions from the Department of Public Works' Bureaus of Engineering and Contract Administration, Fire Department and Department of Transportation.

Land development is a complicated and time-consuming process in any city, but it can become a major undertaking in the City of Los Angeles. The process is exacerbated by the multiple levels of zoning requirements prompted by the unique set of challenges that face each of the sixty-six communities within the City. It is not an understatement to say that the overabundance of information, regulations, exceptions, interpretations and CEQA requirements, can be intimidating and discouraging for anyone who wants to build in Los Angeles. In addition, depending on the project size, the customer may have to obtain multiple clearances from up to 23 departments,¹ which not only amplifies the confusion but also lengthens the permit processing timeline and ultimately affects the customer's bottom line.

Given these challenges, development reform has become paramount in Los Angeles as reflected by the July 20, 2011, Mayor's Development Reform Strategic Plan.² ("Strategic Plan"). Successful development reform in Los Angeles requires drastic and immediate changes to the overall structure of development services in the City. More importantly, a change in the City's culture from individualistic, process-possessive departments to a customer-driven, comprehensive City-wide development process is necessary in order to provide a project-oriented approach to make Los Angeles a premiere place to invest, live, work and visit.

This report provides a methodical review of the current development process, its issues, and findings in support of the recommendation stated herein. The "**Background**" offers a brief history of a recent past, when permits and planning cases were tracked manually, and of the more recent development process improvements in the Departments of Planning and Building & Safety. This section sets the tone of the report, and emphasizes the importance of technology in a successful development process.

¹ Includes agencies at the State, County and City level.

² Available on the Mayor's Office of Economic & Business Policy website at:
www.losangelesworks.org/businessServices/DevelopmentReformStrategicPlan.cfm

In the **“Renewed Approach”** section of the report, the goal of development services in Los Angeles is defined. The goal, it states, is to facilitate responsible development by offering a seamless, logical review and approval process, through the use of sound engineering and planning principles which embody our City’s vision for safe, healthy and sustainable neighborhoods, provide economic opportunities, social equity and an improved quality of life, while protecting our environment and natural resources. The report emphasizes that while efficiency of the process is extremely important, the effectiveness of the process or quality of results is as important. It states that a balanced approach to development services is the key to its successful reform. This section condenses staff’s research into other cities and articles related to development reform.

A critical look at the current problems in the process faced by developers and permit applicants, revealed eight main issues which are enumerated under **“Reasons for Change”**. In addition, the report summarizes issues and recommendations provided by the Development Industry to target several deficiencies found in the process with the various departments. The issues raised lead to the conclusion that complete integration of the Departments of Planning and Building & Safety as well as integration of key development functions from the Bureau of Engineering’s Land Development Section, Bureau of Contract Administration’s Right of Way Inspection Section, Department of Transportation Project Review Section and the Fire Department’s Life Safety Plan Check Section, must be housed under one management structure in order to begin successful development reform. A graphic representation of key departments and their respective functions is depicted in **Attachment 1**. In addition, the creation of a “Project Manager” position, to coordinate the project with the applicant from start to finish, is an important part of a successful development process (**Fig. 1**).

The broad functions of the proposed Department of City Planning and Development are listed in the **“Recommendation”** portion of the report. These functions are further distributed into specific functions. Noteworthy, is the integration of the Environmental Affairs Unit under the main function of Policy Planning. Formerly within the Environmental Affairs Department, which was dissolved in mid-2010, this unit will be the City’s advocate for Statewide CEQA reform and lead the effort in the update to the City’s CEQA Guidelines in order meet the State’s requirements, establish thresholds and policy for project review, and serve as the City’s clearinghouse for CEQA and NEPA. Although CEQA reform occurs at the State level, the Strategic Plan found that improvements to the City’s CEQA systems and processes are an important consideration in development reform.

The recommendation in this report provides the necessary conduit to achieve the objectives outlined in the Development Reform Strategic Plan. Its adoption is essential to begin paving the road toward a successful, seamless, and predictable process that focuses on timely results, accountability, and transparency and is based on a performance measurement system. Furthermore, adding the CEQA reform function to the proposed realignment, will make Los Angeles the model in development services and a leader among cities in the 21st Century.

The recommendation is followed by list of ***“Benefits of a Unified Department”***. The ***“Conclusion”*** summarizes the report and restates the gains from the proposed integration of functions. The last section in the report is entitled ***“Next Steps”*** which provides a series of required actions in order to begin the process of function realignment.

BACKGROUND

The 1990's brought many changes in the way the City conducted its business. The development and permit application processes drastically changed, in part due to the technological explosion of the time, and in part due to the unavoidable responsibilities placed upon public agencies.

Two decades ago, the Zoning and Building Codes were less than half of the size and volume they are today. Permits were hand-written by the plan check engineer and filed in a cabinet much like the Dewey Decimal System. Zoning Administrator Cases were filed in triple-carbon, hand-written applications and index cards with the case information. The index card was periodically updated throughout the life of the case. To obtain approval for a project, the customer would have to visit several locations to obtain approvals from different City departments. The process was fragmented, and internally, the various departments rarely communicated with one another. The burden was placed on the customer to obtain the required information and sign-offs in order to be granted a permit for construction.

In the early 2000's the City moved away from a fragmented system and moved toward co-location of development services by creating “one-stop centers”, known as Construction Service Centers, where the customer visits one site and is transferred from one counter to another to meet with various departments' staff. In addition, the City implemented a queumatic system at its public counters to track performance based on wait times. The system uses a number to transfer the customer from one counter to the next. The plan check permit application was replaced with an electronic permit system, known as “PCIS” (Plan Check and Inspection System) and the Zoning Case index card was replaced with an electronic tracking system, known as “PCTS” (Planning Case Tracking System). At the time, these initial enhancements were at the forefront of technological innovation. Both of these systems facilitated the City's ability to track and access permits and zoning cases from any desktop computer and provided a platform for consistent processing and case tracking. However, due to budget constraints, this same technology is still in operation today, and is how a customer navigates through a portion of the development maze in Los Angeles.

The adoption of the Development Reform Strategic Plan by the City Council and the Mayor, reflect their leadership and understanding of the development challenges the City faces. The Strategic Plan prompted necessary steps to initiate the imperative overhaul of the current development process. These initial steps have increased coordination and collaboration between City departments and have yielded some positive streamlining measures, described below:

1. **Development Services Collaborative**

The collaborative focuses on a heightened degree of cooperation and coordination between City departments which includes representatives from various departments, the Mayor's Office of Economic and Business Policy, and the development industry:

- Development Services Cabinet:
Chaired by the Deputy Mayor for Economic and Business Policy, the Cabinet consists of the General Managers of the core departments which oversee major development services. The Cabinet meets approximately once a month.
- Development Industry Advisory Committee (DIAC):
DIAC's members are small and large developers, commercial and residential builders, architects, engineers, transportation specialists, land use lawyers and consultants. DIAC meets approximately once a month to provide input and serve as a sounding board for process improvement proposals.
- Development Services Case Management Office (CMO):
Also referred as "Case Management", this office assists customers navigate projects through the City's development review process. The CMO is comprised of Case Managers representing the key departments of Planning, Building & Safety, Public Works' Bureau of Engineering, Water & Power, and Transportation. They are co-located in a single office on the 10th floor of 201 N. Figueroa Street.
- Construction Liaison Network:
Consists of designated person(s) from each development regulatory departments, to provide the CMO with necessary support from all City Departments. Development Services Collaborative

2. **Comprehensive Zoning Code Reform**

Comprehensive Zoning Code reform will have a profound impact on development in Los Angeles. The City Council has approved a total of 15 million dollars over the next five years, to re-write and simplify the Zoning Code. This funding will allow the Planning Department to retain a consultant who will deliver a new simplified Zoning Code that implements the goals and objectives of the General Plan more effectively, offers a wider variety of zoning options that protect and/or enhance the City's communities, and reflect its diverse needs and neighborhoods. In addition, the consultant will implement an interactive online Zoning Code, create a series of easy-to-read guides to help the public navigate through procedures, and provide a Unified Development Code to continue the revitalization of Downtown. The funding will also allow the Department to hire additional planning, technical and support staff that will be solely dedicated and focused on this program. As of the date of this report, the Planning Department has retained the consultant to begin the comprehensive Zoning Code revision.

3. Update of Community Plans

The Planning Department has been working aggressively to update the City's Community Plans. The Department continues to make steady progress with its long-term planning policy, strategic planning, and General Plan implementation. As of the date of this report, the Hollywood and San Pedro Community Plans have been approved by the City Planning Commission. The West Adams, Sylmar, and Granada Hills Community Plans are scheduled before the end of June 2013, and two will additional plans will be scheduled shortly after. These community plans make-up approximately twenty-two percent of the City's total geographical area, with approximately thirty percent of the total population. Therefore, their completion is a major accomplishment.

4. Technology Enhancements – BuildLA

Implementation of enhanced technology is absolutely imperative in order to enable interactive technical coordination among the 42 departments which make up our City Government. The City is looking into technology similar to that used by the "Travelocity" website, which connects the customer to a variety of sites (hotels, airlines, car rentals, etc) by visiting one single portal. BuildLA is the framework laid out in the Mayor's Strategic Plan to achieve this technological improvement in the development process.

BuildLA is a collection of systems working together to support improved development services. It will be built in phases over the next five years at an estimated cost of 15 million dollars in initial costs (not including finance costs) plus approximately \$1.5 million annually in ongoing operating costs. The Mayor's Office is currently working with the Chief Administrative Officer to identify funding in the Mayor's FY2013-14 Budget. As of the date of this report, the Request for Proposal (RFP) has been published and proposals are expected by May 22, 2013.

5. Electronic Plan ("E-Plan") Submittal and Review

The City is aware of the burden it places on the customer by requiring multiple sets of construction plans to submit to various departments for any given project and is a proponent of electronic plan checking.

A pilot project, led by the Department of Building & Safety, began in March of 2012 and also included the Department of Public Works' Bureau of Engineering and the Fire Department. Pilot projects included office buildings, apartments, duplexes, mixed-use, and various other commercial developments. Participating developers have expressed overall enthusiasm for continuing E-Plan as a permanent development service, provided the software is customized to allow complete integration with the City's plan review processes. The City is currently working on obtaining the necessary funding to begin the RFP process.

In addition to all the streamlining measures described above, the City Council recently approved the framework to create the Economic Development Department to help promote and attract businesses to Los Angeles after the dissolution of the Community Redevelopment Agency.

This report continues to build upon the City's vision and provides for the next logical transition to further refine the private development and permitting process and make Los Angeles the model in development services and a leader among cities in the 21st Century.

A RENEWED APPROACH

Most public agencies continually strive to improve customer services. In the past, success was attributed in major part, to the financial resources available to those agencies. Typical improvements were made to the physical space, increasing staff and improving technology which translated into better customer service. However, in the past few years, the City's financial resources have significantly decreased due to a faltering economy, while the demand for transparency, predictability and efficiency in public services has increased. This unbalanced shift has prompted a harder look in the way we define and accomplish improvements in the public sector.

Realigning functions which exist under two separate entities is not a new concept. In fact, in the corporate world, mergers or the consolidation of two companies with similar services is often part of a sound financial strategy. Many cities across the nation currently have or have progressed into fully integrating their development services as a means of improving the customer experience and cut costs. However, before the report delves into how to improve development services, the obvious question is, What is the goal of development services in Los Angeles?

The goal of development services in Los Angeles is to facilitate responsible development by offering a seamless, logical review and approval process, through the use of sound engineering and planning principles which embody our City's vision for safe, healthy and sustainable neighborhoods, provide economic opportunities, social equity and an improved quality of life, while protecting our environment and natural resources. And while efficiency of the process is extremely important, the effectiveness of the process or quality of results is as important. Therefore, a balanced approach to development services is the key to its successful reform.

In Los Angeles, there are several departments involved in the development process who work independent of one another and each requires interaction and follow-up by the customer. To create a "seamless" process, where the customer sees the City with "one face", each of the key departments' development related functions would optimally be housed under one management structure (***Attachment 1***).

In general terms, development service functions include project review, entitlements (if necessary), approval of construction plans for code or condition compliance and field inspections to close out construction. To a further extent, development service functions also include review, approval and inspections of all public improvements triggered by a project. The public improvement portion of the development process is known as the "B-Permit Process" and

it may involve functions contained within all the bureaus of the Department of Public Works (Engineering, Street Lighting, Sanitation, Urban Forestry Division in the Bureau of Street Services and Contract Administration). The process may also include functions from the Department of Water and Power and other public utility agencies. Although it is recognized that B-Permits are often necessary to complete a project, at this time, these specific functions are not being considered under the umbrella of this report because of its lengthy and complex coordination requirements. However, integrating these functions as part of the development service model, is worth considering at a future date.

A thorough understanding of the many communities' needs and values is also a key component for the success of the process. The Planning Department recognizes that community input plays an important role in the development process and encourages community involvement. In the past two months, over 1,500 people have participated in Department sponsored community outreach meetings. We continue to form beneficially symbiotic partnerships with communities across the City, to ensure the economic success of the projects we review. **Therefore the renewed approach to the optimum development process is one that is all inclusive, clear, predictable, customer-based, projected-oriented process from pre-development to occupancy which encourages community input.**

Our research into other cities' structures shows that many cities accomplished development process efficiencies by housing key development process functions under one department. The basic principle that resonates across the cities we looked into, is that development services contained under one management structure significantly improve the overall customer experience. For example, large Cities like Dallas have recently consolidated their key development service functions in order to be more responsive to customers, and more efficient in internal communications.

Another key element of a successful development process is the creation of a "point of contact" or Project Manager role to assist the customer through the development process. For example, New York recently implemented a virtual "point of contact" which coordinates and routes the applicant through multiple departments. Basically the Project Manager coordinates the project with the developers/applicant from start to finish and plays an important role in the customer experience by facilitating the overall flow and efficiency of the development process.

The Project Manager has the following functions (**Figure 1**):

- Arranges preliminary development meetings.
- Provides a central point of continued contact for developers.
- Ensures that permitting/processing schedules are maintained.
- Coordinates and resolves issues with other departments.
- Provides information about development projects to management.



Fig. 1

Other efficiencies implemented were revisions to the cities' zoning provisions. The City of Denver, recently completed an overhaul of its zoning code, and claims that "the new code is working well because of the city's new Development Services office"³. With a point of contact assigned to each new development project, they found a huge upgrade in clarity and consistency.

Our research revealed that although smaller cities were more likely to have all the developing services under one department, larger cities, such as New York, Chicago and Philadelphia, have made other attempts to ensure a smooth experience for applicants. For example, Chicago assigned a "Project Administrator" to medium-large projects, similar to the Project Manager role described earlier in this report. **Figure 2** shows 20 cities, from large to small, which have their development services consolidated under one general department. Of those, 12 cities are in California.

³ Huspeni, Dennis. "Denver's New Zoning Code Delivers". Denver business Journal. 6/29/2012. (<http://www.bizjournals.com/denver/print-edition/2012/06/29/denvers-new-zoning-code-delivers.html>)



Fig 2

The topic of consolidating functions in the interest of providing excellent customer service throughout the development process is tackled in the October 2012, Zoning Practice issue of the American Planning Association (“APA”). The author, Mr. George Arimes, eloquently describes local governments’ evolution toward accountable, customer-based, project-oriented, transparent development services. The APA study’s dissection of the development process, including the relationship between the customer and the staff member, provide a clear roadmap toward successful development reform.

The APA study describes that a growing number of municipalities have undertaken the challenge of simplifying and improving the customer experience by transforming “silo-based” and unclear development services (what it calls the “opaque” customer experience) into an intuitive and accountable or “transparent” customer experience. Furthermore, the study notes that technology is a key component of the transparency component because it is crucial in providing internal and external accessibility to information whether it concerns a specific project or the business practices, policies and procedures of the agency. Much like other cities across the nation, Los Angeles, implemented this principle by creating co-locations, Construction Service Centers, and changing manual permits and case tracking to electronically issued permits and case tracking as described above.

However, research demonstrates that although these agencies refined their business processes to evade the “silo-based” service model and partially improved customer access, these enhancements only offered limited improvements in the development process without the necessary holistic integration of the primary development and permitting functions.

The study shows that co-location and technological improvements alone are not sufficient to achieve customer oriented results. The necessary conclusion is that development reform requires a fully integrated operation that truly facilitates customer-based, project-oriented development services. The diagram below visually demonstrates the evolution from silo-based services to a fully integrated and seamless service system.



Fig. 3

REASONS FOR CHANGE

In order to reform the existing development process, it is necessary to understand the weaknesses or malfunctions in the process. After taking an earnest look at the process, and considering input from the community and developers, eight major issues are prevalent in the City's development process. These issues are:

1. The existing development process is a fragmented process of co-located "silo" hybrids.

Although Construction Service Centers provide an efficient way for the customer to visit one building and meet with various departments, the tightening of construction requirements, new regulations, increase in environmental awareness, and zoning compliance review, has increased the number of plan checkers who review a project. In some instances an applicant must meet with up to four separate plan checkers (Building, Disabled Access, Green and Fire), in order to obtain approval. Multiple trips in addition to uncoordinated plan revisions are costly and frustrating to the owner and applicant.

By conducting Zoning Code review at the start of the plan check process, the engineering plan checker can now focus on the Building Code aspects of the project, including Green Division and Disabled Access requirements. This would be a major improvement in the process for the customer and a cost savings for the City. Furthermore, a unified management structure can establish consistent policies and procedures and provide accountability for the success of the entire review and approval process. The integration of functions discourages "piece-mealing" a project and eliminates inconsistent interpretations between departments. In addition, performance measures can be established for the entirety of the review and approval process rather than measuring performance for portions of the project within separate departments.

2. Similar administrative functions between the two departments are redundant and time consuming.

Of the approximately 1,100 employees who work in the Planning and Building & Safety Departments, close to 250 employees perform similar routine administrative, clerical, systems, and accounting duties. By maintaining all existing personnel, these administrative functions can be integrated under one department to increase the number of staff performing that function and improve customer service. Therefore, the plan would not involve any lay-offs.

In addition, by integrating departments, some staff may be freed-up to provide services or service levels not previously possible. In cases where employees in each department perform or have the same or similar duties, such as records management, accounts payable and receivable, purchasing, and cashiering, these functions can be merged to maximize efficiencies. The realignment will eliminate areas of operational overlap and process redundancies and allow for cross utilization of staff.

3. Shared jurisdiction of zoning authority leads to multiple and inconsistent Code interpretations which bog down the process.

Inconsistent Zoning Code interpretations occur much too often during the development/permitting process. Currently, a project is officially reviewed for Zoning Code compliance by the Plan Check Engineer when a complete set of plans is submitted for non-expedited review and plan check fees are paid. This means that the customer waits approximately three to four months to find out whether or not the project complies with zoning regulations. If a discretionary approval is required from Planning, the customer is now faced with up to an additional year before the project can be approved. In addition, many of the complaints are regarding "late hits" in the process. A customer may have gone through the entire plan check process, obtained clearances and at times, even obtained the permit, only to find out that a variance, or some other approval is required. Unlike structural revisions to the building in order to comply with Building Code regulations, zoning late hits, significantly affect the project time line, its funding, and whether or not the project proceeds at all.

By establishing a streamlined process under one department, with specific allocation of code review, late hits can be eliminated. Zoning review and approval can be performed at the beginning of the process, while structural plan check will be performed only if the project complies with zoning regulations

4. Disorganized development lacks coordination and collaboration resulting in lack or poor enforcement of conditions placed on projects.

Many of the larger projects are associated with discretionary actions which enable the City to attach necessary conditions to address, and mitigate the impacts of a particular project on the community. These conditions are the result of public input during the review process and

help maintain the quality of life in the neighborhoods. However, due to the poor coordination both technologically and among staff between various departments, often times the applicant is not referred back to the Planning counter to ensure proper plan compliance with all the conditions. In addition, these departments do not have the interactive technology to track or monitor which projects become operational. This lack of collaboration and coordination between departments makes the conditions and the project approval process futile.

The departments' realignment benefits the City in that it houses all plan checkers under one leadership. Technology can be extracted from PCIS so that planners can be a better resource during the permitting and enforcement process.

5. Lack of Accountability leads to Selective Zoning Jurisdiction.

Inconsistencies related to jurisdiction of zoning interpretation and enforcement have become a major challenge in the permit process, especially those projects with conditions of approval tied to a discretionary actions. Projects are often referred back to Planning for resolution of zoning and land use issues that are discovered late in the process. In addition, there is little accountability for the enforcement of planning-specific conditions to regulate certain conditional uses. This selective use of jurisdiction and enforcement frustrates and confuses the customer and leaves the communities with no recourse to ensure businesses comply with conditions.

Clear allocation of jurisdiction between building code and zoning code issues both accountable to the same manager are necessary to fulfill all the functions required in the development process. The responsible manager will set policies, procedures and goals and take ownership of the process necessary to accomplish and ensure a timely, seamless development process.

6. Lack of true performance measures.

It is nearly impossible to measure and consequently improve a department's performance in a particular function when the responsibilities are shared between two departments run by different management, policies, and procedures. It is difficult to effectively pinpoint the reason and where, along the development process a break-down occurs. Furthermore, any changes implemented in one department will not necessarily affect the other's process. The realignment of the departments' functions and processes, will enable accurate performance measuring based on clearly defined objectives which can be used to further improve the efficiency and effectiveness of the development process.

The efficiency of the process can be improved by establishing ownership of a project. A Project Manager as depicted in Figure 2, assigned to a project to oversee the process would establish a time-line and set milestones to effectively track the project thru the process and help resolve issues that arise. The point person would establish a timeline for permit issuance and ensure that the project moved through efficiently.

7. Poor technology interaction and collaboration between departments.

The current development process is tracked by the use of PCIS and PCTS described earlier in the report. However, these two systems do not communicate with one another making it difficult for a planner to know if a permit has been issued which related to a planning case. Conversely, the engineer has very little information regarding planning cases affecting a project under review.

Another challenge in the process is public's lack of complete accessibility to project-related information. Because the process is fragmented and split between two departments, comprehensive information about a project does not exist in one centralized location. A person needs to visit at least two websites to find information and piece it together.

Ideally, the technology of both departments should be merged to provide better accessibility to the public with a system that is able to track a project from start to finish. The proposed realignment will allow the City to work smarter by standardizing policies and procedures and continue to develop the BuildLA proposed technology to support the enhancement of development services in Los Angeles.

8. A balanced approach is necessary to address concerns from the community and the industry stakeholders.

The Development Reform Strategic Plan outlines several issues gathered from conducting meetings, focus groups, community forums and interviews with property owners, stakeholders, business groups and industry professionals. Many of these concerns are contained within the seven issues described above. However, in order to successfully accomplish development process improvements, it is necessary to ensure that both the community and the industry stakeholders' views are considered within the context of each issue. In general, the results from the meetings and interviews indicate that the *"community wants a more substantive role in the development process, while industry stakeholders want the role of Neighborhood Councils, City Council, and the like clearly defined"*⁴.

Unclear expectations or misunderstood roles along a project's process, can often lead to delays in its approval and discord between the developer and the surrounding community. While creating the perfect balance may not always be easy to achieve, both sides agree that taking into account both sides of an issue while considering its improvement, may dissipate much of the conflict. The following list depicts the categories in the process which summarize the deficiencies identified from the viewpoint of the community and the development industry:

⁴ Refer to July 20, 2011 Development Reform Strategic Plan at:
www.losangelesworks.org/businessServices/DevelopmentReformStrategicPlan.cfm

- **Inconsistent Code interpretation and enforcement**
The industry desires consistent Code interpretation and enforcement throughout the process, while the community wants consistent Code enforcement and proactive condition compliance verification.
- **Poor inter-departmental communication and collaboration**
The industry is most affected by this deficiency because it impacts construction completion. The industry desires improved communication and collaboration between Plan Check and Inspection staff.
- **Inadequate notice and accessibility to the process**
The community's ability to attend hearings and voice their concerns about the project is greatly impacted by this inefficiency. While the City complies with Brown Act requirements for noticing of public meetings, the community desires broader public notice, more convenient times, and relevant meeting locations.
- **Unclear jurisdiction of zoning functions is the primary cause for poor and inconsistent Code enforcement.**
Having two departments with zoning authority has led to unclear enforcement jurisdiction. Both sides agree that clear designation of jurisdiction is necessary to resolve issues which arise during the permit approval process and to provide Code enforcement or Condition verification from entitlements for the community.
- **Lack of Interactive Technology**
Both the industry and the community agree that improvements in information technology for public access in order to track a project and disseminate relevant information are imperative to provide the transparency and accessibility required for development services reform.

The realignment of key departmental functions provides the necessary vehicle to address the concerns aforementioned. The following list depicts the categories in the process which summarize the recommendations provided by the community and the development industry to address the deficiencies in the process:

- Standardize policies, procedures and requirements to provide consistency
- Improve coordination and collaboration among departments
- Set and track performance goals and measures
- Reevaluate fee structure
- Consolidate reviews or shift authority

RECOMMENDATION

The issues identified in the previous section, are some of the reasons behind development reform. These issues can be resolved if the development process is established under one manager who can be accountable for its success, and who will set procedures and policy, and establish the unified organizational goals of the department. **Therefore, it is our joint recommendation that the Departments of City Planning and Building & Safety be functionally integrated to create the Department of City Planning & Development. The recommendation also includes the integration of key development functions from the Department of Public Works' Bureaus of Engineering and Contract Administration, Fire Department and Department of Transportation.**

Furthermore it is recommended that a Management Consultant be retained by the Chief Administrative Officer, in order to assist with the new organizational structure and transfer of functions into the new department. This final and imperative step toward successful development reform will provide an integrated seamless development process which will solve the major challenges developers encounter.

Development in Los Angeles is the impetus for a healthy and growing economy. Encouraging businesses to build and operate in Los Angeles through job creation and economic development are necessary for the City to continue to be successful in the 21st Century. However, the consensus in the development industry is that jumping through bureaucratic hoops and navigating the various time-consuming departments' processes are the necessary means to building in Los Angeles.

Now is the time to make tangible, justifiable and bold changes in the process to positively affect our City's development. And while the streamlining measures implemented thus far are valuable in the City's evolution, they alone will not deliver the results expected by the City Council Motion or address the issues outlined in the Strategic Plan.

The recommendation to integrate the Department of City Planning and the Department of Building and Safety, as well as project approval functions from Public Works, Department of Transportation and Fire Department, is the necessary action needed to completely reform the development process. The realignment of functions would successfully achieve the goals set forth by the Strategic Plan to create a review process that is transparent, predictable and efficient.

The integration of these departments does not require a Charter amendment and its implementation will not negatively impact the General Fund. Development Services in Los Angeles is currently and will continue to be, funded by the Enterprise Fund from fees charged to development projects which are not subsidized by the General Fund.

Los Angeles is now faced with the opportunity to truly create the industry model for combining its planning, development and permitting services by integrating all core development service areas into one department. In addition, key development review functions of other departments,

such as the planning functions of the Land Development Group within the Bureau of Engineering, Plan Check from the Fire Department, Transportation Planning within the Department of Transportation and right of way Inspection within the Bureau of Contract Administration, would also be integrated into the new department (**Attachment 1**). As a result, focus would be placed on achieving a customer-based, project-oriented development service system. The proposed organizational framework and respective functions recommended is as follows:

Proposed Functions of the Department of City Planning & Development (Attachment 2)

- ***Development Services Functions***

Responsible for the entire development process, from the customer's initial contact with the department to project completion with C of O issuance. Sub functions included under Development Services are the public counters (Express Permits), the Case Management Office, all plan check functions (including Building, Electrical, Mechanical, and Plumbing Code, Grading, Green, Disabled Access and Fire Plan Check), all case processing functions (Office of Zoning Administration, Plan Implementation and Major Projects), Environmental Review, Bureau of Engineering's Land Development Group, and Department of Transportation's Project Review and Transportation Demand Management (TDM) implementation. In addition, inspection functions (grading, residential and commercial), Training & Emergency Management, Research and Test Labs will be contained within this main function.

- ***Policy Planning Functions***

Responsible for long range planning currently housed in the Departments of Transportation and City Planning. Community planning, transportation planning and environmental policy & planning will be seamlessly integrated under the new department. In addition, Code Studies and the Zone Code re-write functions will be housed under this general function. The realignment allows one coordinated vision for guiding the City's future growth and development, consistent with neighborhood objectives. Furthermore, the Environmental Affairs Unit will be into this Policy function. The Unit will be the City's advocate for Statewide CEQA reform and lead the effort in the update to the City's CEQA Guidelines in order meet the State's requirements, establish thresholds and policy, for project review, and serve as the City's clearinghouse for CEQA and NEPA.

- ***Architecture & Urban Design Functions***

Responsible for the quality of the City's streetscape and public realm. It includes the Urban Design Studio, Streetscape Design and Implementation Section, and the Office of Historic Resources. This function unites the local community, the development community, and the City in tackling the issues focused on the quality of life in Los Angeles. It ensures integrated planning for the public and elevates the prominence of architecture and urban design in Los Angeles.

- ***Code Enforcement and Compliance Functions***
Responsible for ensuring operational condition compliance for projects with discretionary approvals after the Certificate of Occupancy is issued or the operation begins. The function also includes general code enforcement and Nuisance Abatement Revocation. The primary goal is to track, monitor and inspect projects to ensure compliance and respond to complaints.
- ***Resource Management Functions***
This function will contain all administrative and financial services, technology, license & records, employee relations and risk management.
- ***Inter-Governmental Relations & Communication Functions***
This function includes the government liaisons and support staff for the Disabled Access Commission, Board of Building and Safety Commissioners, Area Planning Commissions, City Planning Commission and Design Review Boards. It also includes the Project Manager function, previously described, which guides the applicant/developer through the process from beginning to end and coordinates/resolves issues with other departments.

BENEFITS OF A UNIFIED DEPARTMENT

- Clear Jurisdiction of Zoning Functions; Early Zoning Review
- Elimination of Administrative Function Overlap
- Seamless, Linear and Logical Permit Process
- Efficient Process Coordination and Collaboration
- Accountability and Transparency
- Implementation of True Performance Measures

CONCLUSION

Across the board, the results of the integration of development functions from various City departments to create the Department of City Planning and Development are overwhelmingly positive and necessary to improve development services in Los Angeles. A unified department will improve the customer experience and improve the development process. It will provide accountable leadership with a comprehensive set of standards and process protocol to eliminate overlapping functions, inconsistent zoning and land use interpretations and applications. The realignment will facilitate the implementation of a seamless & logical development permit process by maximizing coordination and collaboration among staff. Finally, the merging of technologies will allow the Department to measure its performance in terms of efficiency, effectiveness and timeliness.

NEXT STEPS

1. Attend meetings with various industry organizations (DIAC, CCA, AIA, BIA, BOMA, VICA), Plan Check Neighborhood Council, and Chambers of Commerce, to discuss the recommendation contained in this report, obtain feedback, and consider suggestions.
2. Direct the **City Administrative Officer** to retain a management consultant to work with the Director of Planning or his designee(s) and the General Manager of the Department of Building and Safety or his designee(s), to develop a plan to fully integrate the planning and development functions recommended in this report which considers the feedback from the development industry as described in Step 1 above, on or before January 1, 2014.
3. Request the **City Administrative Officer** to conduct a financial analysis of fiscal and organizational impacts associated with departmental consolidation, and assist in the development and administration of the budget and work programs accordingly.
4. Instruct the **Personnel Department and the City Administrative Officer** to analyze necessary position authorities, job classifications, and civil service requirements for new and transferred positions required to staff the consolidated Department of City Planning and Development.
5. Direct the **Department of City Planning**, in cooperation with the City Attorney's Office, to prepare any and all code amendments including but not limited to, to Chapter 1, Article 2 and Chapter 9, Articles 1 through 9, of the Municipal Code to transfer all functions from the Department of Building and Safety to a new City Planning and Development Department.
6. Direct the **Department of Building & Safety** and other affected Departments (such as the **Department of Transportation, Fire Department, Bureaus of Engineering and Contract Administration**), working in conjunction with the City Administrative Officer and the Department of City Planning, to ensure a smooth transition of authority and work program, including preparation of documents to analyze current plan check and inspection work load and all other specific tasks to be transferred and/or consolidated.
7. Direct the **General Services Department** to work with the Planning Department, the Department of Building & Safety and other affected Departments (such as the Department of Transportation, Fire Department and Bureaus of Engineering and Contract Administration), in order to facilitate the relocation of staff into Figueroa Plaza.

If you have questions regarding this report, you may call Michael LoGrande, Planning Director at (213) 978-1271. Copies of this report and related documents can be found in the Planning Department's website at: <http://planning.lacity.org/>.

Respectfully,



MICHAEL J. LOGRANDE
Director of Planning
Department of City Planning



ROBERT "BUD" OVROM
General Manager
Department of Building & Safety

ML:AB:em:rw

Attachments:

1. Key Department Functions of Development Services
2. Proposed "City Planning & Development Department" Functions

cc: Miguel A. Santana, City Administrative Officer
Gaye Williams, Chief of Staff, Office of the Mayor
Brian Currey, Deputy Mayor of the Office of Economic and Business Policy
Monique Earl, Deputy Mayor of Budget and Financial Policy
Terry Kaufmann Macias, Deputy City Attorney, Office of the City Attorney
Margaret Whelan, General Manager, Personnel Department
Brian Cummings, Fire Chief, Fire Department
Jaime de la Vega, General Manager, Department of Transportation
Gary Lee Moore, City Engineer, Bureau of Engineering, Department of Public Works
John L. Reamer, Jr., Inspector of Public Works, Bureau of Contract Administration

Key Department Functions of "Development Services"



ATTACHMENT 2: PROPOSED FUNCTIONS OF THE DEPARTMENT OF CITY PLANNING & DEVELOPMENT

Proposed Integration of Functions	Existing Functions of Departments <i>(for DOT, PW, and FD only key Development Services related functions have been listed)</i>				
Department of City Planning & Development	Department of City Planning	Department of Building & Safety	Department of Transportation	Public Works	Fire Department
DEVELOPMENT SERVICES					
CONSTRUCTION SERVICES CENTERS	Construction Services Centers (Public Counter)	Construction Services Centers (Public Counter)	Construction Services Centers (Public Counter)	Construction Services Centers (Public Counter)	
CASE MANAGEMENT	Case Management	Case Management	Case Management	Case Management	
PLAN CHECK		Structural Plan Check Mechanical Plan Check Electrical Plan Check Grading Plan Check Green Buildings Express Permits Code Engineer/Special Projects			Plan Check
TEST LABS & RESEARCH		Test Labs & Research			
ENTITLEMENT REVIEW & PROCESSING	Plan Implementation Division of Land Office of Zoning Administration Environmental Analysis & Review Major Projects Expedited Case Processing		Project Review & TDM Implementation	PW/BOE Land Development Group	
INSPECTION		Commercial Inspection Residential Inspection Grading Inspection (including soils report approval) Training & Emergency Management		PW/Con Ad- ROW Inspection	
POLICY PLANNING					
LONG RANGE TRANSPORTATION PLANNING			Long-Range Transportation Planning		
CITYWIDE PLANNING	Citywide Planning				
COMMUNITY PLANNING	Community Planning				
ENVIRONMENTAL POLICY & PLANNING	Environmental Policy & Planning				
CODE STUDIES & ZONING CODE REWRITE	Code Studies & Zone Code Rewrite				
ARCHITECTURE & URBAN DESIGN					
STREETSCAPE DESIGN & IMPLEMENTATION			Transportation Planning		
URBAN DESIGN STUDIO	Urban Design Studio				
OFFICE OF HISTORIC RESOURCES	Office of Historic Resources				
CODE ENFORCEMENT & COMPLIANCE					
CODE ENFORCEMENT		Specialty Inspection Signs Annual Inspection Monitoring (AIM) Bureau Administrative Projects North / Central / South Regions Environmental Affairs Division/Local Enforcement Agency			
CONDITION COMPLIANCE	Condition Compliance				
NUISANCE ABATEMENT/ REVOCATION	Nuisance Abatement & Revocation				
RESOURCE MANAGEMENT					
ADMINISTRATIVE & FINANCIAL SERVICES	Administrative & Financial Services	Budget and Administrative Support Financial Services			
TECHNOLOGY SERVICES	Technology Services	Management Information Systems Division			
EMPLOYEE RELATIONS	Personnel Services	Personnel Services			
AUTOMATED RECORDS	Automated Records	Risk & Records Management, License			
PERFORMANCE MANAGEMENT	Performance Management				
INTER-GOVERNMENTAL RELATIONS & COMMUNICATION					
PUBLIC RELATIONS	Community Liaison	Inter-Governmental Relations & Communication			
COUNCIL/COMMISSION & BOARD SUPPORT	Commission/Council Support	Commission Office Support Board Support			
PROJECT MANAGER					