

REPORT FROM


OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: March 17, 2015

CAO File No. 0220-04851-0008
Council District: All
Council File Nos. 13-0046, 14-0122, 15-0020,
14-0600-S143, 15-0135

To: The Mayor
The Council

From: Miguel A. Santana, City Administrative Officer



Reference: Council report backs under Council File No. 13-0046 and 14-0600-S143
Council motions under Council File No. 14-0122 and 15-0020
Office of the City Attorney report under Council File No. 15-0135

Subject: **DEVELOPMENT SERVICES REFORM INITIATIVE – CONDITION COMPLIANCE
MONITORING, VERIFICATION, AND INSPECTION PROGRAM**

SUMMARY

On August 27, 2014, the Council adopted a Planning and Land Use Management Committee (PLUM) Report (C.F. 13-0046) requesting the Office of the City Attorney to draft an ordinance to effectuate the recommended fees for the Department of City Planning (DCP) and the Department of Building and Safety (DBS) contained in the Office of the City Administrative Officer (CAO) report dated August 20, 2014 for the pro-active Condition Compliance Monitoring, Verification, and Inspection Program (MViP). This report includes a discussion of the program's function and benefits as part of the Development Services Reform Initiative, as well as, requests approval of additional DCP staffing (seven positions) needed to implement it.

The MViP is a DCP-DBS joint program to ensure compliance with the conditions placed on approved entitlements to preserve and safeguard the quality of life in our communities. The program will utilize the existing DBS Code Enforcement process, fees and penalties and DCP's existing Revocation and Abatement Program. DCP will be able to document and build a record of compliance to assist the City's decision-makers in future determinations concerning the establishments in question. Currently, the DCP's Condition Compliance Unit monitors a fraction of approvals related to conditional use beverages (CUB) and entertainment (CUX); however, a more robust program is necessary to handle all aspects of compliance of all CUBs and CUXs which constitute approximately thirty to forty percent of all conditional use approvals in the City.

On December 3, 2014, the DCP and the DBS executed a cooperative agreement regarding the enforcement of conditions related to discretionary approvals (Attachment 1), as well as, a memorandum of agreement to enforce discretionary approvals of granted CUB and CUX permits and permits (Attachment 2). This cooperative agreement is the first in a series of such agreements to enhance the enforcement of conditions related to granted discretionary approvals, and are designed to build on the strengths of the DCP and the DBS.

On February 4, 2015, the Office of the City Attorney (City Attorney) released a report to amend Sections 12.24 and 19.01 of the Los Angeles Municipal Code to effectuate the recommended fees for the DCP and the DBS contained in the CAO report dated August 20, 2014 for the pro-active Condition Compliance Monitoring and Verification Program.

Our Office reviewed the City Attorney's ordinance and the fees are consistent with the fee study conducted by our Office. As directed during the Fiscal Year 2014-15 budget hearings, the fees have been set at full cost recovery.

PROGRAM DESCRIPTION AND FUNCTIONS

In February 2013, the Mayor and Council authorized five positions in DCP to establish the Condition Compliance Unit (CCU) to track and monitor conditional use approvals. The CCU consists of one Associate Zoning Administrator, one Structural Engineering Associate III, one City Planning Associate, one Management Analyst II, and one Clerk Typist. Currently, the CCU is limited to conditional use approvals related to alcohol sales and adult entertainment to ensure that these entitlements are properly and timely utilized and that these establishments have the appropriate life-safety and accessibility approvals from the City prior to beginning the conditionally approved use. This program also involves notification to operators with term-limited entitlement grants, when their grants are about to expire or have expired as time and staffing permit. In 2014, the DCP enhanced their Planning Case Tracking System (PCTS) to include a Condition Compliance Module which notifies operators, up to a year in advance, of their term expiration and of their compliance review requirements.

The MViP will be responsible for processing an on-going workload of about 300 CUB/CUX cases per year. Therefore, the DCP requests one Senior City Planner, one City Planner, four City Planning Associates, and one Clerk Typist to monitor and process this additional workload. These additional staff will also establish an Operator Rating System, similar to the Los Angeles County Department of Health letter grading system. Operators will be rated on their ability to follow the conditions imposed on their businesses. The MViP program will allow DCP staff to assign a rating mark to each operator based on the level of compliance and their responsiveness to correcting deficiencies. In addition to the on-going workload, there are approximately 600 operators operating with expired grants. One-time funding, such as overtime, will be utilized to address the 600 expired grants.

Beginning in 2015, the DCP's CCU will directly interface with the DBS's Code Enforcement Bureau (CEB) to monitor compliance with Conditional Use Permits and Plan Approvals. The 2014-15 Adopted Budget added 13 positions consisting of one Principal Inspector, two Senior Building Mechanical Inspectors, eight Building Mechanical Inspectors, and two Clerk Typists to the DBS to conduct on-site inspections to verify and enforce, as appropriate, compliance with conditions for discretionary actions related to approval of conditional use permits.

Another goal of this program is to bridge the gap between condition compliance and Nuisance Abatement/Revocation cases ("NAR"). Currently, the DCP is not fully utilizing its code authority to gain compliance from the City's chronic condition violators because it has lacked documentation in the enforcement and monitoring aspect of the process. The DCP relies on the Police Department and the City Attorney's City-Wide Nuisance Abatement Program to consider imposition of conditions and possible revocation of a land use or an entitlement. The MViP alongside the existing NAR Unit, will ensure that operators are encouraged to comply with conditions of approval.

FEES

On August 27, 2014, the Council adopted a Planning and Land Use Management Committee (PLUM) Report (C.F. 13-0046) requesting the City Attorney to draft an ordinance to effectuate the recommended fees for the DCP and the DBS contained in the CAO report dated August 20, 2014 for the pro-active Condition Compliance Monitoring, Verification, and Inspection Program (MViP).

The City Attorney released a report on February 4, 2015 to amend sections of the Los Angeles Municipal Code to effectuate the recommended fees for DCP and DBS. The existing Zoning Administrator clearance fee will be increased from \$1,722 to \$1,960 to achieve full-cost recovery; new fees for pre-application review (\$293), field verification prior to operations (\$253), monitoring (\$952), and on-going inspections for field compliance (\$746) will be added to implement the MViP. Our Office reviewed the City Attorney’s ordinance and the fees are consistent with the fee study conducted by our Office.

ADDITIONAL STAFF

To implement the expanded MViP, DCP requests resolution authority for seven positions: one Sr. City Planner, one City Planner, four City Planning Associates, and one Clerk Typist. As illustrated in Table 1, the fully burdened cost of the requested positions is \$1.26 million which will be entirely offset by \$1.26 million in anticipated fee revenue. Therefore, there will be no General Fund impact associated with the approval of the requested positions. Our Office recommends approval of these seven resolution authority positions.

Table 1. Fully Burdened Cost of Seven Positions to Support the MViP Program

MViP Positions				FUNDING FOR DEPARTMENT			GF REIMBURSEMENT		TOTAL
				CAP 35	24.36%	20.93%	31.10%	31.47%	
CLASS CODE	CLASS TITLE	HOURLY RATE	No. of Positions	SALARY	ADMIN & SUPP	CTO	FRINGE	CENTRAL SERVICES	
7947	Sr. City Planner	\$ 56.32	1	\$ 117,596	\$ 28,646	\$ 24,613	\$ 36,572	\$ 37,007	\$ 244,434
7944	City Planner	\$ 47.84	1	99,890	24,333	20,907	31,066	31,435	207,631
7941	City Planning Associate	\$ 40.61	4	339,175	82,623	70,989	105,483	106,738	705,008
1358	Clerk Typist	\$ 23.13	1	48,295	11,765	10,108	15,020	15,198	100,386
			7	\$604,956	\$147,367	\$126,617	\$188,141	\$190,378	\$1,257,459

The following is a summary of the primary duties for each requested position:

- Sr. City Planner: This position will hear and determine all cases related to nuisance abatement/revocations, and supervise the City Planners.
- City Planners: These positions will supervise specific geographic teams and act as hearing officers which will allow staff to give customers hearing and case clearance dates in advance.
- City Planning Associate: These positions will implement all other aspects of the MViP, including presenting cases to the hearing officers. These positions serve as project planners who will handle cases from beginning to end.
- Clerk Typist: This position will perform the administrative work currently performed by the

- Clerk Typist: This position will perform the administrative work currently performed by the technical staff.

RECOMMENDATION

That the Council, subject to the approval of the Mayor, authorize by resolution the following seven positions within the Department of City Planning to ensure compliance with the conditions placed on approved entitlements to preserve and safeguard the quality of life in our communities, subject to position allocation by the Personnel Department:

<u>No.</u>	<u>Class Code</u>	<u>Class Title</u>
1	7947	Sr. City Planner
1	7944	City Planner
4	7941	City Planning Associate
1	1358	Clerk Typist

FISCAL IMPACT STATEMENT

There is no General Fund impact. The seven resolution authority positions will be fully funded by the City Planning Case Processing Fund (Fund No. 52D) which has sufficient funds to finance this eligible expense. The fee increases and new fees are set at full cost recovery, as directed during the Fiscal Year 2014-15 budget hearings, and will be deposited into Fund No. 52D. This recommendation is consistent with the City's Financial Policies as on-going expenditures will be fully supported by on-going revenues.

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Attachments

- 1 Cooperative Agreement to Enforce Conditions Related to Granted Discretionary Approvals
- 2 Memorandum of Agreement to Enforce Discretionary Approvals of Granted Conditional Use Beverage (CUB) and Conditional Use Entertainment (CUX)