

Executive Summary

Land development in Los Angeles is a complex and time-consuming undertaking. Developers must go through an onerous and unpredictable process that often requires the help of consultants and expeditors. Communities are skeptical about the ability of the current system to protect the quality and unique characteristics of their neighborhoods. For all involved, the process is lengthy, filled with uncertainty, and full of bureaucratic hazards that can either derail a sound development proposal or drag out the decision to reject a project that is not tenable.

Mayor Antonio Villaraigosa is committed to improving this situation. He is well aware that the current system slows the flow of investment into Los Angeles, and puts the City at a competitive disadvantage against cities in the region and across the nation. In response, the Office of the Mayor formed an inter-Departmental team¹ and an industry advisory group² and embarked on a strategic planning approach to change the situation.

Vision, Mission, and Values

The Mayor does not want another report on the ills of the system. The City already has many of those kinds of reports. What he has demanded is immediate actions to improve the land development process both now and in the future to shape Los Angeles as a 21st century leader in the quality of life. ***The intention of the effort is to make LA a premiere place to live, work, and visit.***

Acting on that guidance, the inter-Department team has built a strategy to be implemented immediately, with some initiatives needing three or more years for full implementation. The City's values for land development are to PLAN smart, WORK smart, and DELIVER smart. SMART stands for:

S eamless	M ake It Happen	A ccountable & Transparent	R esponsible & Responsive	T eamwork
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¹ Referred to as the Development Reform Steering Committee

² Referred to as the Development Reform Advisory Committee

Action Plans – Make It Happen!

The City of Los Angeles retained KH Consulting Group (KH) with Woolpert, Inc. to assist in developing this Development Reform Strategic Plan. The consulting team solicited input from more than 200 external stakeholders, analyzed 100 prior City development reports and audits, researched best practices, flowcharted 43 processes, and worked with 97 representatives of City leadership, senior managers, and a cross-section of City employees to develop Action Plans to address the priority areas requiring change. The outcome is the Development Reform Strategic Plan: Building a Better LA with detailed Action Plans outlining Action Steps to be taken.

BuildLA – Worth the Investment Now!

Technology is critical for achieving the desired transparency, efficiencies, and customer improvements.

Use technology to streamline the development process. Although it may take several years to complete, the City has already embarked on this major effort through BuildLA. Initial steps, including a City-wide portal, can be done in the near future, while others, such as the completion of the BuildLA permit, inspection, and enforcement system, will take two to three years. The full system could take five years of hard work. Ultimately, though, the creation of a more efficient, transparent, and predictable development system depends heavily on the application of web-based technology to accept, process, and report the large quantities of information needed. Although it will take time to design and build the full system with significant financial investment, the benefits to be gained more than justify the effort and expense. Among the major functions that can be provided:

- Online applications
- Electronic document submission and processing
- Online appointment services
- City-wide online project tracking
- City-wide performance monitoring

Short-Term Initiatives – Do It Now!

The next Action Plans can be put in place within the next Fiscal Year (FY) 2011-2012³ and will result in improvements to the development process immediately.

Make sure that the Development Reform Strategic Plan is implemented. The City has had more than 100 studies and reports on its development work efforts since 1995 that have not resulted in meaningful change. During this Development Reform effort, three major actions will help avoid the plague of inertia:

- Form a **Development Services Collaborative**. The Collaborative will be in charge of implementing the Strategic Plan, providing oversight to shared Development Services in the City, and addressing inter-Departmental operational issues involving Development Services. It will be led by a **Development Services Cabinet (DS Cabinet)**, chaired by the Deputy Mayor, Office of Economic & Business Policy. Its members will consist of the Directors or General Managers of the Department of Building & Safety (DBS), Department of City Planning (DCP), Department of Public Works/Bureau of Engineering (BOE)⁴, Department of Water & Power (DWP), Department of Transportation (DOT), Los Angeles Fire Department (LAFD), and Community Redevelopment Agency (CRA). This DS Cabinet is charged with ensuring the prompt implementation of the Action Plans and the continued oversight of the development process to ensure its on-going improvement.
- Make greater use of **Neighborhood Councils** and liaison groups, such as **PlanCheckNC**, to advise the City and inform community representatives about issues and projects relevant to them. DCP should also provide training on the development process for community representatives and other stakeholders.
- Building on the existing Development Reform Advisory Committee, establish a **Development Industry Advisory Committee (DIAC)** to provide continuing industry feedback and suggestions for change to senior City officials.

³ To be completed by June 2012.

⁴ “Department” refers to both City Departments as well as the Bureaus in the Department of Public Works (DPW) in the Strategic Plan.

Take immediate, effective action to improve Development Services for everyone – homeowners, small- and medium-sized projects, and larger developers. The aim is to bring greater clarity and predictability to the development process with an emphasis on eliminating the phrase “...to the satisfaction of...” when outlining project requirements and conditions. The following actions emphasize the need to outline conditions for a project as early as possible and as required information is available.

- Support and strengthen the ***Development Services (DS) Case Management***⁵ and its ***Construction Liaison Network***, which will be inaugurated by the Mayor in July 2011. This inter-Department joint venture, led by DBS, and including all City Departments and Bureaus that have a hand in land development, has shown promising test results in improving the speed of reviews and resolving potential problems.
- Require early project review and screening for both zoning entitlements and public amenity requirements through: a) an early ***Zoning Pre-Check*** and b) the mandatory completion of a new ***Planning Case Referral Form (PCRF)*** at the time of submittal for all Master Land Use Applications (MLUAs), where the projects have public works requirements. DCP’s new deep counters with staff with more in-depth expertise at the One-Stop Construction Services Centers are also critical for helping individuals receive reliable information on the front-end of their projects.
- Implement a ***Land Development Committee*** to resolve conflicting conditions for project approval. The goal is to address unresolved conflicts in conditions, and help to find common solutions through consultation with the involved Departments. The City currently lacks a body formally charged with making a timely decision if the process can’t do it; the Land Development is that body.

Cross the finish line and complete 7 community plans. The City is comprised of 35 Community Plan areas with populations ranging from 30,000 to 300,000 residents, with similar geographic diversity. Seven of these Community Plans, including Hollywood and six others identified through the NCP Program, are actively being updated. DCP has released the Hollywood Community Plan draft, which is now in the process of public review. The other Community Plans nearing completions are San Pedro, West Adams, Granada Hills, Sylmar, South Los Angeles, and Southeast Los Angeles. In addition, DCP will set priorities within the next year for future planning efforts. Community Plans can make it easier to protect neighborhoods and speed appropriate development, as long as the Community Plans are accompanied with ordinances that align zoning with the respective Community Plans.

⁵ Located at 201 N. Figueroa Street, 10th Floor, Los Angeles CA 90012.

Continue the process of Zoning Code simplification.

- Complete Zoning Code simplification efforts for Core Findings, Multiple Approvals, and Planned Unit Developments (PUDs).
- Begin work on a revised Zoning Code Manual; post it on a City-wide Development Services website.

Quickly implement other “low hanging fruit” improvements that can incrementally improve the process at a low cost.

- Measure elapsed time from the beginning of an application to its final resolution; use total elapsed time as a way to assign priority to reviews.
- Measure processing time within individual Departments, including time spent waiting for work to be assigned; establish clear standards.
- Use the current BOE Status Sheet for B-Permits to track related activity in DOT, Street Services, and Street Lighting.
- Accept cash cards (draw-down accounts) for applications and other payments.
- Offer training to Planning Commissioners to keep them up to date on Zoning Codes and other matters related to their work; ensure the Office of the City Attorney sends legal counsel to the Area Planning Commissions, which should reduce later litigation costs.

Throughout the Action Plans are many process improvements that are specific in nature, such as releasing the installation order for a permanent electric meter before formal project completion (Certificate of Occupancy) to expedite the installation process.

Near-Term Initiatives – Keep on Going!

The next actions and programs are important and will take two to three years⁶ to complete – and again, will pay off in a more accountable, efficient, and predictable development process.

⁶ FY 2012-2013 and FY 2013-2014 (to be completed by June 2014).

Create a system that will allow for a single cashier throughout the Development Services system. DBS, DCP, and BOE currently have separate cashiering systems, which is a duplication of effort and an inconvenience for the customers. DBS provides cashiering services for other Departments but BOE does not. Applicants often are required to make multiple trips to pay application and permit fees at multiple locations. Although it will take some time to refine the chart of accounts and inter-Departmental transactions vis-à-vis the City's new Financial Management System, this situation should be corrected so that all Departments use one cashiering system, thereby increasing customer convenience.

Measure and recover the full cost of Development Services. Many Development Services costs are recovered now, but some are not and, in the areas not supported, services suffer. Changes will be needed in ordinances and processes, but these costs can be recovered. And funding will result in higher priorities and faster service.

Continue Zoning Code simplification now under way. DCP should continue its efforts to simplify the next round of Zoning Codes, including Administrative Exceptions, Specific Plan, and Supplemental Use Districts. These steps will not do all that is needed, but they will be of material help in reaching faster, fairer zoning decisions.

Develop and implement customer service practices and standards. The City should design new ways to assist customers at plan check and other counters, improve the physical environment at some offices, increase customer services, and implement innovative ways to help customers. In addition, the City should develop a culture within all City development-related Departments that emphasizes support for applicants and residents and seeks to help them reach their goals. This cultural shift could involve minimizing reflexive rule enforcement and seeking to replace it with solution-oriented policies and practices.

Long-Term Initiatives – It's Worth It!

The next initiative is a high-impact one that will take three or more years to complete, with far-reaching benefits to both communities and developers, making it worth the investment.

Undertake comprehensive Zoning Code Reform. The City's Zoning Code has not been thoroughly overhauled since 1946. Since 1995, 22 of the 50 largest U.S. cities have undergone some form of Zoning Code Reform. Los Angeles's Zoning Code is an obsolete patchwork of confusing requirements that opens far too many doors to conflicting interpretations. Zoning Code Reform should start now and be pursued to completion. It will make a major difference in the transparency and predictability of the development process.

Take action to update and streamline CEQA processes that are under the City's jurisdiction. In accordance with the due process outlined in CEQA and DCP's community outreach program:

- Continue to train and increase staff expertise in CEQA.
- Revise and streamline environmental review processes and procedures by updating E-Forms, City guidelines for Categorical Exemptions, and Environmental Thresholds Review.

Build the Momentum and Build on Success!

The City should not see Development Reform as a one-time effort but instead as the beginning of continuous improvements in Development Services.

Strategic Initiatives and Action Plans

The Strategic Plan (Volume 1) summarizes the strategic initiatives, accomplishments to date, and implementation plan. The strategic initiatives cluster around nine action areas. The Action Plans (Volume 2, an internal working document) delineate specific objectives, action steps, accountabilities, and timelines for each strategic initiative.

Action Plan 1.0 – World Class City – LA Quality of Life. This Action Plan focuses on community planning, including DCP's release of seven Community Plans and strategies to update the General Plan Elements and Community Plans.

Action Plan 2.0 – Policies and Procedures. The City has developed policy and procedural solutions for quicker inter-Departmental resolution of conflicting conditions via a Land Development Committee and application requirements. These changes will identify necessary entitlement actions early in the application process.

Action Plan 3.0 – Zoning Codes. Improvements to the City's Zoning Code involve simplification, a shared manual, communications, and comprehensive Zoning Code Reform – a long over-due effort that the City last accomplished in 1946.

Action Plan 4.0 – CEQA. This Action Plan updates the City’s CEQA Guidelines for categorical exemptions and maintains staff CEQA training; in the long term, the City will explore other administrative aspects of CEQA that are within its control, such as environmental thresholds; environmental review processes and procedures; and the feasibility of developing a framework for comprehensive programmatic EIR analysis for specific areas within Community Plans.

Action Plan 5.0 – Communications and Public Outreach. City Departments will work together to increase coordination of public information, develop input opportunities, and provide Commissioner training.

Action Plan 6.0 – Process Improvements. Development Services processes are complex and improvements are outlined for new consultation services for small- and medium-sized projects, process roadmaps/documentation, common application forms and case files, report production for quicker turnaround for such items as Letters of Decision (LODs), and B-Permit tracking and monitoring. The aim is to eliminate paper intensive processes and the customer having to make so many trips to various City Departments. Performance measurements for monitoring progress are built into the Action Plans. The continued use of Implementation Improvement Teams (IITs) will help to implement the improvements and instill a continuous process improvement orientation in Development Services.

Action Plan 7.0 – Customer Service Culture. Creating a customer service-oriented culture is vital for implementing many of these changes. Applicants will see improved customer service through the new Development Services Case Management office. Other changes provide different staffing and organizational configurations, coupled with training and performance standards.

Action Plan 8.0 – Technology/BuildLA. BuildLA is the vehicle for moving the Development Services technology to a new level of needed sophistication and to enable greater transparency and access to information.

Action Plan 9.0 – Financial Resources. Financial Resources are critical for making many of these initiatives a reality. For the customer, the City will implement a simpler mechanism for making payments, involving credit cards, draw-down accounts, and a single cashier. In addition, the City will document its costs more closely to achieve full cost recovery for services rendered. These fees can help cover staffing, technology, and other investments needed.

The diagram on the next page summarizes these Action Plans and their sub-Action Plans.

