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April 24, 2020

Budget and Finance Committee  
City Hall, Room 395  
Los Angeles, California 90012

Dear Honorable Members:

**DEPARTMENT OF CITY PLANNING - MAYOR'S 2020-21 PROPOSED BUDGET**

The Department of City Planning (City Planning) appreciates this opportunity to provide comments on the Mayor's 2020-21 Proposed Budget. Over the course of the last several weeks, our City has faced challenges unlike anything we have experienced before. The challenging nature of the time, which we are all feeling in our personal and professional lives, is also reflected in the Proposed Budget. As you know, in this budget, the Mayor declared a state of fiscal emergency, and all departments are being asked to play a role in maintaining important City services while helping to close a significant budget gap. City Planning is committed to doing our part to maintain department operations and to build a strong foundation for the City's recovery post COVID-19. Although we, like departments across the City, will face reductions, we support this budget and believe that we will be able to deliver on important City priorities.

**Response to COVID-19**

I am proud to say that in the face of some difficult times, City Planning has displayed its resilience and adaptability. Through the hard work of our dedicated staff, we have demonstrated our capability to respond to a global health pandemic and the economic impacts that it created, while continuing our work and keeping our employees and the public safe. We have modified the way we do business to limit public interaction but maintain access to development services. For example, applicants can now file applications without needing an appointment, community stakeholders can file and pay for appeals entirely online, and the public can continue to access hardcopy records in person while we ensure proper social distancing. These modifications are working, as activity has continued at our Development Services Centers (DSCs). Since the modification of operations began on March 23, 2020, we have received more than 640 applications for projects ranging from housing developments to restaurant expansions, and on any average day, our DSCs are delivering approximately 240 services to our customers. This is on par with the 600 applications received and 243 daily services provided in April 2019.

We moved our Commission meetings and other public hearings entirely online, enabling the public to participate from the safety of their own homes while allowing the business of the City to continue. We have also released important policy initiatives, such as the Restaurant Beverage Program, and we are updating the Housing Element, moving our outreach and working group meetings to an online format. These efforts allow for the City to support small business and ensure that we remain focused on addressing our housing crisis despite facing a health crisis. Some of these changes, like the closures of City Planning offices to the public, are temporary. However, we hope to continue certain other changes, such as moving more information and access online, so that we can build on the efficiencies and broader public engagement that they provide.

Throughout the constantly changing landscape that we face, we have created and maintained open lines of communication - both within City Planning and fellow City departments as well as throughout the broader community. We have kept our City colleagues, community groups, industry stakeholders, and members of the public informed about changes in department operations, opportunities to stay engaged, and updates to necessary measures to keep everyone safe.

### **Continuing Critical City Priorities**

The Proposed Budget enables City Planning to continue a number of critical City priorities. The Department thanks the Mayor and his budget team for the resources to ensure continued staffing for the Housing Policy Unit and the Community Plan Update program, each of which contributes to addressing the on-going housing crisis. We also thank the Mayor for continued staffing for the Specific Plan Maintenance Units, which provide focused attention on improving existing specific plans and overlays to be consistent with the current vision of the community. With the Proposed Budget, we will also be able to continue important updates to the General Plan Housing Element and ensure dedicated staffing for Major Projects, including staff dedicated to the Valley office.

### **Response to Budget Reductions**

The Proposed Budget includes a number of reductions for City Planning's staffing and salaries. City Planning is being asked to take a one-time salary reduction, increase our salary savings rate from 7% to 8%, and adhere to the hiring freeze that departments across the City are facing. This would mean we will need to hold from 55 to 65 positions vacant (up from the 40 to 45 positions currently required). The Proposed Budget also deletes 10 positions from the Department, including positions in areas that have been a high priority for the City Council, such as four positions in the Wildlife Pilot Study program. We, like other departments, are also being asked to take one-time reductions in expenses as well as absorb the impacts of 26 furlough days.

We believe that the Department can successfully operate through the next fiscal year, even within these constraints. While we will not be able to implement programs, such as the Wildlife Pilot Study, which would develop wildlife protection policies through the General Plan Update process, because both the staffing and funding have been deleted from our budget, we believe that we can continue to provide core City services despite the budget reductions. The primary reason is because over the course of this fiscal year, we have increased staffing levels by almost 15%, which is a net increase of almost 50 employees since July 1st alone. Since the beginning of the current fiscal year, we hired 85 new staff, which represents about 20% of the department, and promoted 45 employees, including promotions to the position of Principal City Planner. If the salary reductions are approved, our functional vacancy rate will be between 1% and 4%.

**Revenue Considerations**

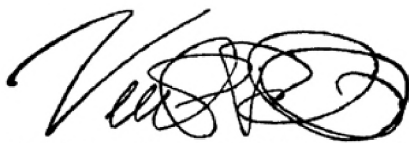
While we believe that City Planning will be able to deliver on the services and policy initiatives that will help move the City forward, it is important to note that our revenue, like revenue citywide, has been significantly impacted by COVID-19. Our ability to continue regular operations, including both project planning and policy planning work, is dependent on the on-going collection of revenues.

City Planning's budget comprises 78% Special Fund, which includes two major special funds administered by the department. These special funds are based primarily on the collection of application fees for case processing and surcharges on entitlement applications and building permits. While activity has continued at our Development Services Centers, nevertheless, during the COVID-19 crisis we have seen a 20% decrease in revenue. This revenue decrease may present significant challenges in various aspects of our budget, including the nearly \$3 million in Related Cost increases that the department is being asked to absorb in our Long-Range Planning Fund. Long-range planning is funded by surcharges on entitlements and building permits and provides resources for policy efforts, including the Community Plan Update program, that help ensure we are carefully planning for the future of Los Angeles. In order to fully absorb this cost, we would need to collect an additional nearly \$3 million in revenue, which will be difficult to do in an uncertain year.

While we believe that we will be able to continue to deliver on our project planning and long-range planning efforts over the course of the next fiscal year, we will be closely monitoring our revenues. Because we have, to date, just a small sample size of information over the course of four to five weeks, it is difficult to predict what our revenues will look like after COVID-19.

Recognizing the City's significant fiscal challenges, City Planning supports the budget as proposed, and as noted above, we will do our part to build a strong foundation for the City's recovery. If you have any questions or need any additional information, please contact Tricia Keane, Deputy Director of Planning at 213-978-1273.

Sincerely,

A handwritten signature in black ink, appearing to read 'Vincent P. Bertoni', with a stylized, cursive script.

VINCENT P. BERTONI, AICP  
Director of Planning

CC: Honorable Budget and Finance Committee Members  
Matt Szabo, Deputy Chief of Staff to the Mayor  
William Chun, Deputy Mayor of Economic Development  
Miguel Sangalang, Deputy Mayor of Budget and Innovation  
Sharon Tso, Chief Legislative Analyst  
Richard Llewellyn, City Administrative Officer