

April 23, 2013

Councilmember Ed Reyes, Chair
Planning & Land Use Management Committee
200 North Spring Street
Los Angeles, CA 90012

Re: Proposed Departmental Realignment (Council File 13-0046)

Dear Chairman Reyes,

The Central City Association (CCA) represents 450 members, with a focus on real estate and development. As you are aware, CCA has long held a leadership role on Development Reform in Los Angeles.

Today, we thank you for your commitment to taking a step in the right direction to increase efficiency, accountability, and certainty in the City's development process through the proposal of a new Department of City Planning and Development. While we agree, in concept, with the proposed Realignment, we feel strongly that there are certain changes that simply *must* be made, in order to make real strides.

In addition to the real estate industry, CCA also represents a broad swath of the businesses that drive Los Angeles' economy. The larger business community knows firsthand how much of their own economic activity is driven by development, and that is why it is so critical that we take this opportunity right now to achieve real reform, through streamlining and process improvements. Development is where jobs and tax revenue are created, literally from the ground up.

As with any reorganization of this scope, the devil is in the details. We applaud the City's commitment to form an Advisory Group, and we would appreciate being an integral part of this effort.

While the conversation has focused on management and organizational changes, that only gets us part of the way towards comprehensive solutions. Therefore, we have identified a few key areas that should be incorporated as immediate priorities in the Realignment proposal. We ask that the Planning & Land Use Management Committee direct the Departments of Planning and Building & Safety to incorporate the following recommendations into their report today:

1. **Identify key process changes along with expected performance improvements supported by metrics and timelines.** Examples of key process changes that should readily result from the proposed Realignment include:
 - Reducing processing and review time.
 - Updating and Integrating Applications and Forms (integration of applications along with instructions and policies) – should be completed within 6 months.
 - Identification of which fees and processes can be reduced under the consolidation plan (elimination of duplicative reviews, reduced delays in reviewing conditions, case processing, plan check, inspections, PTOs, etc. should also result in fee reductions).
 - Eliminating requirement for all projects seeking discretionary approval through the Department of City Planning to no longer be required to have additional Zoning Review through the Building & Safety Department.
 - Eliminating the use of “to the satisfaction of” utilized by commenting departments such as Bureau of Engineering/Public Works.
 - Plan for including LADWP into the Realignment Plan as they are a critical part of the project approval and construction process.

2. **Streamlining Case Processing and ensuring current projects are not delayed**
 - Prioritize staffing to focus on case processing, in order to help move projects out of the pipeline. Allow for use of 3rd party consultants. The Realignment Process has been estimated to be completed by January 2104. During this period, we cannot allow projects to suffer. As the economy continues to improve, we would like assurances that management’s attention to Realignment does not adversely impact the efficient processing of pending entitlement and permit applications.
 - Establish time frames for case processing - from application submittal to decision - and hold responsible parties accountable when those goals are not met.
 - Establish an Enterprise Fund for fees and revenues received from individual cases and ensure that such fees and revenues are utilized only for case processing and not other General Fund expenses (development-related or other).

3. **Provide proposed organizational chart:** Given the different cultures between the departments, we would like to understand the vision of who will lead various functions and how the Realignment will address cultural differences and change responsibilities to address the improvements suggested in the plan. The proposed chart should identify the realigned functions and how it affects work flow and overall functions.

4. **Maintain Commitment to Long Term Planning Efforts:** While Realignment occurs, we must have assurances that the investment and staff related to long term planning efforts does not suffer. Completion of the Comprehensive Zoning Code Update should not be delayed beyond the 5 year timeline established by Council, and emphasis on completing all the Community Plans

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should remain a priority, with an emphasis on those Plans that cover areas with the highest level of development activity

We appreciate our strong working relationship with the City Council, the Mayor's office, and the key departments involved in the proposed Realignment; we look forward to continuing this partnership in order to achieve our common goals and bring Los Angeles into the 21st century on sound footing.

For your reference, we are attaching comprehensive, specific recommendations which we previously developed after engaging thoroughly with our members. We hope that this thoughtful input will help inform the city's process as it moves forward with reform.

Sincerely,



Carol E. Schatz
President & CEO

Attachment: CCA Development Reform Recommendations (2010)

Cc: Councilmember Mitchell Englander
Councilmember Jose Huizar
Michael LoGrande, Department of City Planning
Bud Ovrom, Department of Building & Safety
Council President Herb Wesson

October 26, 2010

First Deputy Mayor Austin Beutner
Office of Mayor Antonio Villaraigosa – Economic & Business Policy
Los Angeles City Hall, Room 1300
200 North Spring Street
Los Angeles, CA 90012

**RE: Comprehensive Development Reform: Specific Recommendations from the
Development Community**

Dear Austin:

Established in 1924, the Central City Association (CCA) is L.A.'s premier business advocacy organization with 450 members employing over 350,000 people in the Los Angeles region. I want to extend my personal thanks to you and your talented team for participating in CCA's *Road to Development Reform* meeting on October 21, 2010. It was a very thoughtful and productive session, which we are confident, will lead to more meaningful change under your leadership.

With one of the highest unemployment rates in the nation, Los Angeles is at a crossroads. More and more cities are being proactive and successful in their efforts to attract new businesses, but Los Angeles's reputation as being business-unfriendly persists. Our ability to attract and retain quality jobs will be the key to any economic recovery and the foundation for lasting economic sustainability. We submit these recommendations, many of which can be implemented immediately, to improve the convoluted development process and increase Los Angeles's competitiveness with other parts of the region.

Entitlement and Building Permit Processing

General Comments

1. Prioritize staffing to focus on case processing to help move projects out of the pipeline.
2. Establish time frames for case processing from application submittal to decision and hold departments accountable when those goals are not met.
3. Create a pamphlet that identifies all project clearances that will be required of the developer to provide clear guidance and instruction.
4. Extend building permit expirations to coincide with entitlement expirations.
5. Eliminate CRA/LA jurisdiction over projects that receive no financial assistance.
6. Improve service and response times from the Public Works Department, Bureau of Engineering, and the Department of Transportation. Involve supervisors from these departments early-on without intervention from council offices. The time involved in reviewing projects and plan checking is unreasonable.
7. Create a system to allow for parallel, concurrent plan checking between departments.

8. Require the Bureau of Engineering and Department of Transportation to inform project applicants of "right of way" street dedication requirements early in the entitlement and permitting process.
9. Streamline and improve the "change of use" process, taking best practices from Restaurant & Hospitality Express.

Comments Specific to the Department of Transportation

1. Standardize information, procedures and processes at all LADOT offices. Information and implementation related to fees, study guidelines, credits, study requirements, CMA calculation, and worksheets differ in the Westchester, Downtown and Valley offices.
2. Provide automated centralized electronic access to background data for traffic studies. For example, related projects in the city, as well as the trip generation associated with each of the projects needs to be accessible electronically.
3. Establish time goals for review of Memorandums of Understanding when a traffic study is required. Delays in review lead to delays in ordering traffic counts and add significant time to traffic studies.
4. Adopt a universal and updated Traffic Study guideline to be used by all LADOT offices. Currently, some offices use older guidelines and some use newer ones.
5. Develop a formal appeal process with time constraints.
6. Improve the quality of service to the public at the district offices.
7. Integrate input from the Design/Permit Division early in the entitlement process to identify potential compliance issues specific to the project site.
8. Uphold the approved project site configurations. Once a project is approved, the permit staff needs to work with the agreed-to configurations to reach a sensible compromise between standardized requirements and site constraints.

Comments Specific to the Department of City Planning

1. Prioritize community plan updates according to revenue-generating and job creation potential.
2. Establish definite time frames to issue decision letters.
3. Evaluate the feasibility of reducing the number/types of discretionary actions and eliminating unnecessary ones, possibly through the Community Plan Update process.
4. When multiple entitlement requests are made, ensure that public hearings for all entitlements are heard concurrently (i.e., joint meetings). All appeals should also be heard concurrently. Time-extensions that may be necessary to effectuate this goal should be proactively sought by the Planning Department.
5. Require CEQA training for appropriate Planning staff.
6. Implement all statutory and categorical CEQA exemptions mandating that, by law, certain projects are either completely or partially exempt from CEQA's environmental review requirements.
7. Extend the expiration of Conditional Use Beverage permits beyond the current five year limit without requiring the applicant to participate in additional hearings with no legitimate opposition.

Case Management Services

1. Formalize and broaden the case management system to ensure that all appropriate city departments are involved in project review from start to finish. Focus on institutionalizing the involvement of departments that are marginally involved in the project review process, such as LAFD and DWP.
2. Appoint an ombudsman in each department to resolve intra- and inter-development conflicts. Establish and publish time limits for resolving the conflict to allow for department accountability.
3. Require the participation of project design professionals in case management meetings to avoid future conflict.

Structural Problems with Stakeholder Input

1. Create and publicize guidelines that direct how/when all stakeholders – including neighborhood councils, council offices, and even other city departments – can submit input on a proposed project.

Customer Service Training

1. Establish basic customer service protocols in each city department to open the lines of communication with the public (e.g. returning phone calls, increasing response times, etc.).
2. Create a culture of cooperation with the business community and foster a “can-do” attitude with new policies and training with city staff.
3. Create a transparent method to track the response time to Requests for Information or any other request for services from the public.
4. Make customer satisfaction surveys available at every city department. Review the responses and identify problem areas for improvement.
5. Promote mutual respect by upholding a high level of professionalism and helpfulness to applicants of every project scale. Every project, large and small, deserves good service.
6. Improve the service that DWP provides to the development community. Focus on improving the link between new customers and DWP’s new economic development unit.

Technology

1. Make critical investments in technology to allow customers and departments to exchange information more effectively and efficiently. Each department should identify key technological upgrades that will improve the level and quality of service they provide.
2. Upgrade the ZIMAS system to include infrastructure information such as sewers, utility lines, etc.
3. Create a universal web-based portal system, which all relevant city departments and the applicant can use, to access up-to-date information about a specific project. Applicants should have full access to identify where they are in the process, what additional approvals are needed, and foresee potential problems.
4. Upgrade systems to allow for the electronic filing of cases to the Department of Building & Safety.

General Economic Development

1. Require each city department to establish a "Performance Enhancement Program" similar to the Department of Building & Safety and create an action plan for improvement.
2. Engage the Los Angeles Police Department to be more reasonable about nurturing the hospitality industry in areas where it is generally embraced, such as Downtown and Hollywood.
3. Establish clear guidelines relating to exactions and what conditions city departments can require of proposed projects.

We look forward to working with you to implement these recommendations on an urgent basis and thank you for your consideration.

Sincerely,



Carol E. Schatz
President & CEO
Central City Association of Los Angeles

cc: Mark Mullen
Bud Ovrom
Ray Chan
Enrique Zaldivar
Michael LoGrande
Gary Lee Moore
Michael Kantor
Michael Bowman
Raman Raj
Christine Essel
Jay Kim
Tina Choi
Daniel Gryczman
Veronica Becerra
Shawn Evenhaim
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Renata Simril
Cindy Starrett
Arturo Sneider



April 23, 2013

Honorable Ed Reyes
Chair, Planning & Land Use Committee
200 North Spring Street, Room 410
Los Angeles, CA 90012

Re: Proposed Departmental Realignment (Council File 13-0046)

Dear Chairman Reyes:

Business organizations working in the City of Los Angeles have long supported Development Reform efforts. We thank you for your commitment to taking a step in the right direction to increase efficiency, accountability, and certainty in the City's development process through the proposal of a new Department of City Planning and Development. We agree that there are substantial hurdles associated with communications between the various City departments normally involved in the development process. We understand that the proposed Realignment of City Departments aims to address these obstacles by realigning key functions between City departments to ensure a smoother, more transparent process for the business community.

While we applaud you for your efforts, we hope you will allow us sufficient time and opportunities for input to help shape this critical realignment. We seek to work with you to better understand what is being proposed and to educate our constituencies on this change. At the same time, we are asking for specific commitments on a few key issues.

As with any reorganization of this scope, the devil is in the details. We appreciate our working relationship with the City, in particular the Departments of Planning and Building & Safety, and applaud the City's verbalized commitment to form a Blue Ribbon Commission consisting of key stakeholders to guide the implementation of this Realignment if approved by Council. This group should meet regularly and include those who have a vested interest in making this realignment a success. We hope the next report on this issue will include next steps on the formation and composition of a Commission. While the conversation has focused on management and organizational changes, that only gets us part of the way towards comprehensive solutions.

The Chamber will be hosting its Land Use, Construction, and Housing Council meeting tomorrow, April 24, at which we will identify the priorities that should be included in the Realignment proposal. We will ask that the Planning & Land Use Management Committee direct the Departments of Planning and Building & Safety to incorporate our recommendations into subsequent reports.

We appreciate our strong working relationship with the City Council, the Mayor's office, and the key departments involved in the proposed Realignment; we look forward to continuing this partnership in order to achieve our common goals and boost Los Angeles' economic growth.

If you have any questions, please feel free to contact Tina Hossain at 213.580.7531 or thossain@lachamber.com.

Sincerely,

Gary Toebben
President & CEO