

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: July 1, 2022

TO: Honorable Mitch O'Farrell, Committee Chair
Honorable Paul Koretz, Vice Committee Chair
Honorable Gil Cedillo, Member
Honorable Kevin de León, Member
Honorable Paul Krekorian., Member
Energy, Climate Change, Environmental Justice, and River Committee

FROM: Barbara Romero, Director and General Manager
LA Sanitation and Environment



SUBJECT: **LOW IMPACT DEVELOPMENT AND STORMWATER APPROVAL FOR CONSTRUCTION OF HOUSING AND OTHER DEVELOPMENT PROJECTS (COUNCIL FILE NO. 22-0600-S54)**

SUMMARY

During the annual budget process, LA Sanitation and Environment (LASAN) was requested to report back on the necessary resources and steps to clear the backlog and expedite processes related to Low Impact Development (LID) and Stormwater approval for the construction of housing. LASAN has evaluated its LID and Stormwater approval processes for opportunities to improve customer service wait time and minimize impacts to the City's overall building permit issuance process for development projects, including residential projects. To achieve these goals while fulfilling the City's obligations under its Municipal Separate Storm Sewer System (MS4) Permit, LASAN recommends the following:

RECOMMENDATIONS

1. REQUEST the City Attorney to work with LASAN, and other city departments as needed, to draft an ordinance to amend Los Angeles Municipal Code (LAMC) Section 64.70 to align the City's stormwater and urban runoff pollution control requirements (LID Ordinance) to those prescribed under its MS4 Permit, including the type and size of new development or redevelopment projects that are subject to LID review.
2. DIRECT LASAN to perform a fee study to evaluate the appropriate development services fees for LID plan check review, to achieve full cost recovery and the necessary staffing levels to optimize the delivery of development services.
3. DIRECT LASAN, in coordination with the Bureau of Engineering, to evaluate the benefits and feasibility of consolidating the LID plan check review services into the Bureau of Engineering's Development Services and Permits Program.
4. DIRECT LASAN to continue to implement further LID plan check improvements as needed to improve customer service delivery and wait time, including the development of

standard plans for Accessory Dwelling Units (ADUs).

5. If Recommendation No. 1 is not adopted, and the LID Ordinance is not amended, APPROVE LASAN's original budget request for five (5) additional positions for LID plan check review.

BACKGROUND

To address the LID backlog issue, for the past year, LASAN has made significant efforts to expedite LID plan check reviews by increasing its public counter capacity. For FY 21/22, the LID program was budgeted for seven (7) resolution authority positions to perform plan check review. To alleviate LID's backlog, LASAN temporarily provided additional City staff and staff augmentation via consultant resources to increase its LID plan check capacity. In addition, LASAN requested five (5) new positions in the FY 22/23 budget to ensure that long term resources are allocated to maintain an acceptable level of customer service for LID plan check. These requested new positions were not included in the proposed budget; however, \$411,585 was provided for overtime salary costs. The staff augmentation via consultant resources will terminate in November 2022 due to funding limitations. Lastly, the additional City staff beyond the budgeted resolution positions may be continued or terminated pending other bureau needs.

LID Ordinance Amendment

The National Pollutant Discharge Elimination System MS4 Permit requires permittees to develop and implement a comprehensive Stormwater Management Program that must include pollution prevention measures, treatment or removal techniques, monitoring, use of legal authority, and other appropriate measures to control the quality of stormwater discharged to the storm drains and thence to waters of the United States. Under its current MS4 Permit, the City is required to use its land use and planning authority to implement a Planning and Land Development Program to impose specific requirements for the implementation of structural Best Management Practices to meet specified stormwater performance requirements. The City fulfills this obligation via LASAN's LID Counter review and permitting process.

To guide LID Counter's functions, the MS4 Permit specifies the type and size of new development or redevelopment projects that are subject to LID requirements. In September 2011, the City Council adopted the initial LID Ordinance and plan check fees (CF09-1554); and, in August 2015, Council adopted certain amendments to the LID Ordinance to meet new requirements on the MS4 Permit and to ensure consistency with other existing ordinances (CF14-0994). The LID Ordinance establishes thresholds for development projects subject to LID requirements that are more stringent than what is required in the MS4 Permit. The projects that are not subject to MS4 Permit requirements but are regulated by the LID Ordinance are classified as Small Scale projects. Annually, the LID Counter receives approximately 9,500 new projects, of which about 5,800 (61%) are Small Scale projects.

Due to the lower volume of stormwater runoff typically generated by Small Scale projects, the benefit of imposing LID requirements beyond what is mandated under the MS4 Permit is both limited and not necessary for the City to meet its MS4 Permit compliance. In addition, it is important to consider the city resources needed to review and permit Small Scale projects, the

financial burden imposed on Small Scale projects for the design and installation of LID improvements, the impact on customer service for all development projects due to the increased review time, and the delay created on the permitting of housing projects. For the City to both meet its obligations under the MS4 Permit, and to support the effort to streamline the development permitting process, including expediting urgent affordable housing projects, LASAN recommends modifying the LID Ordinance to align the type and size of new development or redevelopment projects that are subject to the requirements to those prescribed under the MS4 Permit. The amendment to the LID Ordinance would also allow the City's limited resources to be reallocated to projects and tasks where the greatest benefit for stormwater capture can be achieved. Furthermore, LASAN recommends that amendments as needed be included to address new requirements prescribed on the MS4 Permit issued to the City in July 2021. For example, the previous MS4 Permit listed infiltration, evapotranspiration, capture/reuse and treatment/release as most to least preferred stormwater management methods. However, the new MS4 Permit now lists infiltration, evapotranspiration, and capture/reuse equally as the most preferred methods, which is not in conflict with the City's LID Ordinance.

It is noted that the LID Ordinance allows the option for any development or redevelopment that is exempted from LID requirements to voluntarily incorporate LID elements into their design. When this occurs, the plan check fee is waived and all LID related plan check processes are expedited. LASAN will also continue to educate developers on the benefits of incorporating LID practices and solutions identified by the City.

To realize the customer service benefits prior to the amendment of the LID Ordinance, LASAN may provide customers an opportunity to defer LID review from building permit approval phase to prior to Certificate of Occupancy issuance. This would be similar to the Department of Building and Safety's (LADBS) existing deferral option extended to ADUs (Attachment A), which is provided to help expedite the permitting of these residential projects. If the LID Ordinance is not amended, this deferral would potentially create a backlog issue at the LID Counter at a later date, when all the deferred projects return for LID review and approval prior to occupancy.

LID Plan Check Review Fees

The current LID plan check fees were adopted in September 2011. Since adoption, the City's MS4 Permit requirements have changed, which has impacted plan check requirements, processes, and review time. There is also the general increase in labor costs over the last decade. As such, LASAN recommends the performance of a fee study to evaluate the appropriate development services fees for LID plan check review, to achieve full cost recovery and provide the necessary staffing levels to optimize the delivery of development services.

Consolidation of Development Plan Check Services

Aside from LID, LASAN issues the following two (2) clearances via the City's building permit process: Food Service Establishment (for industrial waste management) and Waste Hauler Permit (for solid waste management). Of these services, only LID requires a plan check review process. As such, it may be beneficial to consolidate the LID plan check review services into the Bureau of Engineering's Development Services and Permits Program, a robust and expansive operation

that houses most of the permitting services for the DPW. For example:

- Work efficiencies may be available if LID plan check review is conducted in conjunction with the review of other permit applications such as Bureau of Engineering's Storm Drain Permit.
- Consolidation of development services supports other on-going City investments and efforts, such as the BuildLA Portal, to improve customer service.
- LID customers would go to a single DPW bureau to obtain multiple plan check clearances for a single development project.
- LID customers would have access to additional benefits due to Bureau of Engineering's resources dedicated to development services and customer care, such as: a larger workforce with additional support staff, broader expertise across various permitting services, and higher redundancy; a standardized Development Services Procedures Manual; and, Permit Case Management services dedicated to triage and resolve special issues and projects such as Affordable Housing.
- Inspection may be provided by the Bureau of Contract Administration (BCA) inspectors during construction, which may replace the existing inspection conducted by LASAN's engineering staff to clear Certificates of Occupancy.

LASAN recommends that a feasibility study of consolidating the LID plan check review services into the Bureau of Engineering be conducted, to determine the benefits and needs of such a proposal.

LID Plan Check Process Improvements

LASAN is evaluating its overall LID plan check and approval process to find opportunities for efficiencies and reduced wait times. For example, staff are evaluating updates to the LADBS Building Permit Clearance Handbook to provide better guidance and specify projects for which LID review is unnecessary thereby reducing customer service requests. LASAN is also evaluating the benefits and feasibility of providing additional tools and resources to both customers and staff. The creation of standard plans for ADUs, for example, may reduce design review time, and an expanded plan submittal checklist could reduce customer resubmittals due to incomplete information. LASAN will expedite the development and implementation of these process improvements, where feasible, to realize customer service benefits as soon as possible.

If you have any questions or would like further discussion on any of these items, please feel free to contact me or Julie Allen, Assistant General Manager (213) 485-2210.

BR/TM/JA/AM:hh

c: Members of the City Council
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LASAN Executive Team