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LAURA N. CHICK
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March 23, 2009

The Honorable Antonio Villaraigosa
The Honorable Rockard J. Delgadillo
The Honorable Members of the City Council

Ever since the mid 1990s when I was a City Councilmember, I wondered what actually happened with the conditions we imposed when approving development projects. The City often sets requirements to shape and improve a project, promote safety and mitigate negative impacts to communities.

Now as Controller, I have circled back to answer the question: "Who ensures that the requirements attached to these developments are followed?" The answer is: "No one." We are actually often relying on voluntary compliance by the developers.

My report found that, in general, there is no single Department in charge of development projects from beginning to end. The Planning Department is indeed the lead agency in imposing conditions. However other Departments, such as Building and Safety, can add or change conditions without including the Planning Department.

The Planning Department's new data management system was intended to be a central database that tracked conditions for approval. However, this is not the cure-all it was intended. Instead we have ended up with three stand-alone systems that are neither integrated nor coordinated. Further, a new computer system alone won't solve the problems in the current development process, unless accompanied by key changes in our business processes.

It is clear some significant changes must be made here. If projects are approved with conditions attached, is it not in the City's best interest to ensure those conditions are met? Certainly that is what the public expects.

Sincerely,

LAURA N. CHICK
City Controller





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March 23, 2009

S. Gail Goldberg, Director of Planning
City Planning Department

Cynthia M. Ruiz, President
Board of Public Works

Andrew A. Adelman, P.E., General Manager
Department of Building and Safety

Enclosed is a report entitled "Performance Audit of the City of Los Angeles' Process for Planning Conditions for Development". A draft of this report was provided to your departments on February 18, 2009. Comments provided by your departments at various meetings and discussions held between February 26, 2009 and March 5, 2009, were evaluated and considered prior to finalizing the report.

Please review the final report and advise the Controller's Office by April 23, 2009, of actions taken to implement the recommendations. If you have any questions or comments, please contact me at (213) 978-7392.

Sincerely,

A handwritten signature in black ink, appearing to read 'Farid Saffar', is written over a light blue horizontal line.

FARID SAFFAR, CPA
Director of Auditing

Enclosure

S. Gail Goldberg, Director of Planning
Cynthia M. Ruiz, President, Board of Public Works
Andrew A. Adelman, General Manager, Department of Building and Safety
March 23, 2009
Page 2 of 2

cc: Robin Kramer, Chief of Staff, Office of the Mayor
Jimmy Blackman, Deputy Chief of Staff, Office of the Mayor
Raymond P. Ciranna, Interim City Administrative Officer
Karen E. Kalfayan, Interim City Clerk
Gerry F. Miller, Chief Legislative Analyst
William Roschen, President, City Planning Commission
Gary Lee Moore, City Engineer, Bureau of Engineering
Enrique C. Zaldivar, Director, Bureau of Sanitation
Ed Ebrahimian, Director, Bureau of Street Lighting
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Independent City Auditors

Performance Audit of the City of Los Angeles' Process for Planning Conditions for Development

Prepared for the Los Angeles City Controller by

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March 16, 2009

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public sector management consulting



March 16, 2009

Ms. Laura N. Chick
City Controller
City of Los Angeles
200 North Main Street, Room 300
Los Angeles, CA 90012

Dear Ms. Chick:

Harvey M. Rose Associates, LLC is pleased to present this *Performance Audit of the City of Los Angeles' Process for Planning Conditions for Development*. This report was prepared in response to your office's request for an evaluation of the effectiveness and efficiency of the City's systems, controls and processes governing imposition of and compliance with conditions on development projects.

Thank you for providing our firm with the opportunity to conduct this audit for the City of Los Angeles. Upon your request, we are available to present the report to the City Council or other City officials and to respond to any questions about this report from you and your staff.

Sincerely,

Fred Brousseau
Project Manager

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Performance Audit of the City of Los Angeles’ Process for Planning Conditions for Development

EXECUTIVE SUMMARY

Background

In the City of Los Angeles, the General Plan and the Planning and Zoning Code govern land use. The City's General Plan contains the City's goals, objectives, policies, and programs for the development of the City, and serves as the guide for the physical development of the City. The Department of City Planning is responsible for implementing the General Plan through application of the Planning and Zoning Code and other land use regulations.

Most construction projects receiving building permits from the Los Angeles Department of Building and Safety can be constructed “by-right”, indicating that the project complies with the City’s Planning and Zoning Code requirements and does not require further approval. However, a development project is discretionary if the project or site has special circumstances for which strict application of the Planning and Zoning Code provisions is impractical.

Under the Planning and Zoning Code, the Director of Planning, Zoning Administrator, Area Planning Commissions, City Planning Commission, or City Council, each have authority as a decision maker to approve discretionary development projects. In approving discretionary projects, the decision maker may impose conditions to remedy any disparities that may result from the development, specifically to protect health and safety and ensure general compliance with the objectives of the General Plan. If the decision maker approves the discretionary development project, the Department of City Planning can issue a land use permit (“entitlement”) to the applicant once the conditions of approval have been met.

City Departments’ Roles in the Development Process

Several City departments participate in development project review and oversight. The Department of City Planning is the lead agency for approving discretionary development projects and land use entitlements. Other City departments recommend conditions of approval if the project impacts the public right of way, or other requirements within their jurisdiction.

- The Department of Public Works is responsible for the public right of way and each of the Department’s bureaus - Engineering, Streetlighting, Street Services, and Sanitation - review project applications and recommend conditions for public right of way improvements as necessary.
- The Department of Transportation is responsible for reviewing development projects’ impact on traffic, and recommending improvements.

- Other City departments, such as Housing, Fire, and Water and Power, review development project applications and recommend conditions of approval appropriate to their jurisdictions.

Once the decision maker has approved the development project with conditions and the Department of City Planning has reviewed the project plans for compliance with the conditions of approval, the Department of Building and Safety approves the final project plans for compliance with the City's building and zoning requirements. The Department of Building and Safety oversees construction of the project on private property, including compliance with the project's conditions of approval, and issues the Certificate of Occupancy.

The Department of Public Works Bureau of Engineering approves the final project plans for construction in the public right of way, including compliance with the project conditions. The Department of Public Works Bureau of Contract Administration oversees construction in the public right of way.

The Department of Transportation approves any project traffic plans and oversees construction and completion of traffic improvements.

Objectives and Scope

The Controller initiated the audit to evaluate the effectiveness and efficiency of the City's process to ensure that conditions placed on development projects are met by developers. The specific areas assessed during this performance audit included:

- An evaluation of how the Department of City Planning determines that public improvements will be conditions to be satisfied by developers;
- An assessment of the adequacy of the Conditions Development and Management System (CDMS) controls to meet the intended system capabilities and provide timely, accurate and complete information related to development project conditions;
- An assessment of how City departments confirm that conditions have been met and how instances of non-compliance by developers are handled, and specifically, how CDMS facilitates and ensures that conditions are cleared at the development phase;
- A determination of how the City tracks and accounts for all developer installed public improvements; and specifically, how CDMS facilitates and ensures that conditions have been met when development projects are completed;
- A determination of how the City incorporates developer-financed public improvements into Citywide plans and budgets; and
- An assessment of whether the City's process for identifying, monitoring and enforcing development conditions is efficient and effective and how it compares to other large urban areas.

Methodology

We conducted the performance audit in accordance with *Government Auditing Standards, July 2007 Revision* by the Comptroller General of the United States. In accordance with these standards and best practices for conducting performance audits, we conducted the following key tasks:

- We held an entrance conference with the Director of Planning and her staff on August 21, 2008, to introduce HMR staff, describe the performance audit process and protocol, and request general information on the program.
- We reviewed (1) the conditions development and tracking process, including interviews with key City officials, community members, and developers, and (2) documentation provided by City departments. At the conclusion of these activities, we developed a more detailed plan for conducting subsequent performance audit activities.
- We conducted field work to research key elements of the City's program with additional interviews, and collection and analysis of data. At the conclusion of field work activities, we developed preliminary findings, conclusions and recommendations.

SUMMARY OF AUDIT RESULTS

The City of Los Angeles has not established an adequate process for reviewing, approving, and overseeing development projects that ensures that the final project conforms to the intent of the decision maker. No single City department manages development projects from the project review through project construction and completion. The Department of City Planning does not manage other City departments' review of proposed projects, and does not actively monitor compliance with the projects' conditions of approval once the building permits have been issued. In the absence of a single point of management, development projects can materially change during the project plan review and project construction and completion, resulting in the final project being different from the project as it was approved by the decision maker.

Key audit findings are noted below:

Key Findings

The City of Los Angeles' community plans, which represent the Land Use Element of the General Plan, are outdated and not specific enough to consistently and predictably direct the development project approval process.

Though the City's development project approval process allows for discretion on the part of the decision makers for proposed projects not covered by the Planning and Zoning Code, projects are subject to a larger degree of case-by-case discretion than would be necessary if community plans were well-developed. Most of the City's 35 community plans were last updated in the mid-1990s, with some dating from the 1980s. The Department of City Planning is in the early planning process to update 12 of the 35 community plans. The New Community Plan Program is expected to extend over ten years.

Decision makers use administrative procedures to address perceived shortcomings in the Planning and Zoning Code and the community plans. While discretion and flexibility in imposing conditions is often cited as a means to achieve compromise, using internal policies rather than Planning and Zoning Code or specific plan requirements to impose conditions can result in subjecting different applicants to different requirements.

The Department of City Planning recommends conditions of approval that are not clear or specific.

The Department of City Planning has not established quantitative criteria to use as the basis of conditions of approval for common development issues for which there are no standards in the Planning and Zoning Code. Consequently, decision makers impose conditions without clear justification. Our audit disclosed, for example,

- Planning staff recommended conditions requiring a number of parking spaces for a college campus without clear criteria, resulting in far more spaces than required by the Code.
- Use of conditions that lack specificity, such as "attractively landscaped", which risk misinterpretation by the public, applicants, contractors, and City staff.

The Department of City Planning does not actively manage other City departments.

Though Planning is the lead agency for approving applications for discretionary development, other City departments often do not provide recommendations for public improvements prior to the public hearing and issuance of the determination letter, resulting in an approval without all requirements being fully disclosed and documented.

Conditions are redundant in some instances and the numbering system is cumbersome, resulting in project applicants, their contractors, and City staff not being able to easily track compliance with these conditions. Non-uniform application of conditions results in

ad hoc rather than standardized procedures, subjecting different applicants to different requirements.

The Mayor established a “12 to 2” Committee to address problems in interdepartmental processes to approve and oversee development projects. While it was intended to address the leadership role of the Planning Department in the land use entitlement process and be a forum for discussing interdepartmental oversight of development conditions, it currently appears to be focused on systems processes, rather than management issues.

Department of Building and Safety’s modifications can materially alter the project from the initial project plans that were submitted to and approved by the decision maker.

After the decision maker approves the project the applicant must submit the final project plans, incorporating the conditions of approval, to the Department of City Planning. At the same time, the applicant submits detailed building plans to the Department of Building and Safety for approval of building permits. While the Department of Building and Safety cannot modify conditions imposed by the decision maker, it can modify building plans to meet building or zoning requirements.

- For a mixed-use, 350 residential unit project that was subject to numerous conditions of approval, the applicant later submitted a request to the Department of Building and Safety to permit exterior balconies. While it was appropriate that the request was submitted to Department of Building and Safety because the balconies would be close to the property line, potentially in violation of building codes, the addition of balconies significantly changed the exterior appearance of the project, and may have impacted Planning’s initial approval decisions.

The Department of City Planning lacks department-wide documentation standards for clearing conditions on development project plans and maintaining records.

Each staff planner documents his or her plan review differently. Although the planner stamps and signs the final project plans, indicating that the plans incorporate the conditions of approval, auditors were unable to determine how the plans conformed with each condition of approval.

Also, although the Department of City Planning has procedures for organizing formal files, no standards exist for required document retention. For example, copies of approved project plans for six of the 17 completed development projects reviewed could not be located.

The Department of City Planning does not actively monitor project compliance with the determination letter’s conditions of approval once the building permits have been issued.

In the absence of a single point of management, development projects can materially change during construction and completion, with the final project being different from the project as it was approved by the decision maker. These material changes can result

from changes to project plans to meet building code requirements or address design errors, unforeseen field conditions or other construction problems. Neither the Department of City Planning nor the Department of Public Works have established procedures to ensure that the Department of City Planning reviews project changes.

- For example, the Department of Public Works Bureau of Engineering approved Interim Change Authorizations that changed specific conditions of approval without notifying the Department of City Planning, including (1) reducing a pedestrian walkway from six feet to four feet, and (2) changing street lights from ornamental to a different type.

None of the City departments directly involved in the development process have adequate controls to ensure that the project complies with the conditions of approval.

The Department of Building and Safety does not have the expertise to enforce specific landscape and architectural design conditions, and the Department of City Planning does not review implementation of these conditions in the constructed project.

- Although the Department of Building and Safety requires the project's landscape architect to certify compliance with the conditions of approval, we found inconsistent documentation of this process.
- Also, while the project architect or engineer certifies to the Department of Building and Safety that the project complies with structural design requirements, it does not certify compliance with other architectural design related conditions.

The Department of Public Works does not ensure that conditions of approval for public improvements are implemented.

- A school received a temporary Certificate of Occupancy although it had not installed required traffic improvements, potentially in violation of existing City ordinances.

The Department of City Planning's new data management system (Condition Development and Management System, or CDMS) automates many of the Department's manual processes but the system alone does not fully address processes for managing development project conditions of approval in an adequate manner.

Envisioned as a centralized database to manage the City's conditions of approval and ensure post-approval review for land-use entitlements, CDMS will provide an automated tracking tool, but will not change current processes for distributing hard copies of project applications to other City departments, nor give the Department of City Planning the ability to require City departments to review project applications and submit recommendations for conditions of approval in a timely manner, nor ensure conditions have been met.

- Though the Department of City Planning intends for applicants to eventually be able to submit their applications electronically, allowing for electronic distribution of site plans to all approvers through CDMS, there is currently no specific funding or implementation plan to develop this capacity.
- While CDMS can facilitate creating conditions and track their approval by responsible City departments, it will not ensure that conditions are clearly written or contain the necessary specificity. Further, although CDMS allows for electronic clearing of conditions, it does not create documentation standards for staff to note when approving that conditions have been met.
- CDMS will add a third City departmental system to track development conditions; however, there is no formal plan to coordinate these systems, or ensure all systems will contain the same information regarding approval status. CDMS system design did not consider integration with other citywide systems because the City's Information Technology Agency has not played a role in its development.

City departments do not consistently track, plan or budget for maintenance of public improvements installed as a result of conditions of approval for development projects. In addition, Some City departments do not collect sufficient fee revenues to cover the costs of maintaining public improvements.

Although project applicants pay the costs of installing public improvements, only some departments track and recover maintenance costs for these improvements. No departments systematically track public improvements imposed as development project conditions of approval as part of their fiscal planning process.

Some City departments do not collect sufficient revenues to cover the costs of maintaining public improvements, particularly those imposed as conditions of approval for development. Specifically, the Urban Forestry Division of the Bureau of Street Services Street Tree Maintenance, Inspection and Clerical fees, the Bureau of Street Lighting Street Lighting Maintenance Assessment, and the Bureau of Sanitation Stormwater Pollution Abatement Charge revenues are not sufficient to recover the costs of maintaining public improvements.

TABLE OF RECOMMENDATIONS

RECOMMENDATIONS	PAGE REFERENCE
1. Imposing Entitlement Conditions	9
<p>The Director of Planning should:</p> <p>1.1 In consultation with the City Planning Commission, develop internal policies that clarify the Department’s roles, responsibilities and authority for recommending development project conditions not addressed by the Planning and Zoning Code or specific plans, and submit these policies to the Mayor for approval.</p> <p>1.2 Recommend to the City Council new or updated Planning and Zoning Code provisions when the Planning and Zoning Code fail to address current zoning or development needs.</p> <p>1.3 Develop and implement formal written quantitative standards for recommending conditions covering common development issues that are not addressed by the Planning and Zoning Code or specific plans.</p> <p>1.4 Develop guidelines for development project site plan review and sign-off for development project conditions that are by definition qualitative and non-specific, such as design review.</p>	

RECOMMENDATIONS	PAGE REFERENCE
<p>2. Imposing Conditions for Public Improvements</p>	<p>25</p>
<p>The Mayor should:</p> <p>2.1 Direct the 12 to 2 Committee, in conjunction with the Director of Planning, to define the role of the Department of City Planning in managing the development process including consideration of the costs and benefits of delegating authority to the Department over all departments in terms of their roles in the development project approval process(see Recommendation 4.1).</p> <p>The Director of Planning, in conjunction with the 12 to 2 Committee, should:</p> <p>2.2 Establish procedures to ensure timely submission of specific recommendations for conditions of approval to the Department of City Planning (see Recommendations 4.5 (a) and 5.2).</p> <p>2.3 Evaluate City departments’ standard conditions to ensure specific, non-redundant, and clearly numbered conditions of approval in the determination letter.</p> <p>2.4 Develop procedures for uniform application of conditions of approval to comparable development projects.</p>	
<p>3. Ensuring that Conditions of Approval are Met Before the Building Permit is Issued</p>	<p>31</p>
<p>The Director of Planning should:</p> <p>3.1 Develop and implement formal written department-wide documentation standards for clearing conditions on final project site plans, including a system to identify how the site plan conforms to the specific conditions of approval (see Recommendation 5.5).</p> <p>3.2 Develop and implement a formal written department-wide document retention policy.</p> <p>3.3 In conjunction with the General Manager of the Department of Building and Safety, develop formal written guidelines and control procedures to ensure that the Department of City Planning (1) is notified of all project modifications that materially change the project and (2) reviews all material project modifications made by the Department of Building and Safety.</p>	

RECOMMENDATIONS	PAGE REFERENCE
4. Monitoring Project Construction and Completion	38
<p>The Mayor should:</p> <p>4.1 Define the role of the Department of City Planning as the project manager for development projects.</p> <p>4.2 Direct the 12 to 2 Committee to define the responsibility of the Department of City Planning, Department of Public Works, and Department of Building and Safety for resolving disputes.</p> <p>The Director of Planning should:</p> <p>4.3 In conjunction with the General Manager of the Department of Building and Safety, City Engineer, and Director of the Bureau of Contract Administration, develop procedures and control processes to ensure notification of the Department of City Planning for project changes during construction.</p> <p>4.4 Evaluate potential expansion of the Department’s enforcement function and present a report to the City Council prior to the FY 2010-11 budget review that includes: (a) a definition of the Department of City Planning’s enforcement function and its relationship to the Department of Building and Safety and Department of Transportation’s enforcement functions; (b) costs of additional staff resources necessary to expand the Department’s enforcement function; (c) potential fee- or fine-based revenues to pay the costs of additional staff resources; and (d) expected benefits of the expanded enforcement function.</p> <p>The City Engineer should:</p> <p>4.5 In conjunction with the Directors of the Bureau of Street Services, Sanitation, and Street Lighting, establish procedures to ensure: (a) timely submission of specific recommendations for conditions of approval to the Department of City Planning (see Recommendation 2.2 and 5.2); and (b) completion of all conditions of approval during project construction and prior to the Certificate of Occupancy.</p> <p>4.6 In conjunction with the Director of Planning and the General Manager for the Department of Building and Safety, establish procedures to ensure: (a) notification of the Department of City Planning for material project changes (see Recommendation 4.3); and (b) Department of City Planning review of the final project for compliance with entitlement conditions prior to the Certificate of Occupancy.</p>	

RECOMMENDATIONS	PAGE REFERENCE
5. CDMS Implementation	48
<p>The Director of Planning should:</p> <p>5.1 Develop and implement written department-wide procedures for distributing development project applications to other City departments.</p> <p>5.2 Develop monthly reports no later than June 30, 2009 for submission to the Mayor and City Council: (a) identifying standards for City departments' timely submission of recommendations for conditions of approval; and (b) tracking City departments' compliance with these standards.</p> <p>5.3 Review the Department of City Planning's standard conditions entered into CDMS and revise or delete non-specific or unclear conditions.</p> <p>5.4 Develop and implement written department-wide procedures for writing specific and clear conditions (see Recommendation 1.2).</p> <p>5.5 Develop and implement written department-wide procedures for: (a) documenting how the final development project site plan addresses the project's conditions of approval (see Recommendation 3.1); and (b) retaining site plan documentation in the Department's formal files (see Recommendation 3.2).</p> <p>5.6 Develop a long-term implementation plan for CDMS that: (a) includes the Information Technology Agency in the planning and coordination of CDMS with the Department of Building and Safety's and Bureau of Engineering's systems; (b) identifies the costs and timelines for coordinating systems among the Department of City Planning, the Department of Building and Safety, and the Bureau of Engineering; (c) identifies the costs and timelines for implementing CDMS capabilities to generate determination letters; and (d) identifies the costs and timelines for entering case data for completed projects into CDMS.</p>	

RECOMMENDATIONS	PAGE REFERENCE
6. Costs of Maintaining Public Improvements	54
<p>The Mayor should:</p> <ul style="list-style-type: none"> 6.1 Direct the City Administrative Officer to require department and bureau directors to evaluate all public improvement maintenance revenues annually to ensure coverage of maintenance costs. 6.2 Direct the City Administrative Officer to develop a fee structure that includes maintenance fees for all public improvements resulting from development project conditions of approval. <p>The City Council should:</p> <ul style="list-style-type: none"> 6.3 Take actions to ensure that special services are fully covered by related fees, including a requirement for all fees for special services to be updated on a periodic basis based on the U.S. Department of Labor Consumer Price Index. 6.4 Determine the feasibility of increasing assessments in accordance with the requirements of Proposition 218, to ensure that all assessments are updated on a periodic basis based on the U.S. Department of Labor Consumer Price Index. 	

Introduction

Harvey M. Rose Associates, LLC (HMR) is pleased to present this *Performance Audit of the City of Los Angeles' Process for Planning Conditions for Development*. This report was prepared at the request of the City Controller in accordance with the powers and duties prescribed for the City Controller in Article II, Section 261(e) of the City Charter.

Objectives and Scope

The Controller initiated the audit to evaluate the effectiveness and efficiency of the City's process to ensure that conditions placed on development projects are met by developers. The specific areas assessed during this performance audit included:

- An evaluation of how the Department of City Planning determines that public improvements will be conditions to be satisfied by developers;
- An assessment of the adequacy of the Conditions Development and Management System (CDMS) controls to meet the intended system capabilities and provide timely, accurate and complete information related to development conditions;
- An assessment of how City departments confirm that conditions have been met and how instances of non-compliance by developers are handled, and specifically, how CDMS facilitates and ensures that conditions are cleared at the development phase;
- A determination of how the City tracks and accounts for all developer installed public improvements; and specifically, how CDMS facilitates and ensures that conditions have been met when development projects are completed;
- A determination of how the City incorporates developer-financed public improvements into Citywide plans and budgets; and
- An assessment of whether the City's process for identifying, monitoring and enforcing development conditions is efficient and effective and how it compares to other large urban areas.

Methodology

We conducted the performance audit in accordance with *Government Auditing Standards, July 2007 Revision* by the Comptroller General of the United States. In accordance with these standards and best practices for conducting performance audits, we conducted the following key tasks:

- We held an entrance conference with the Director of Planning and her staff to introduce HMR staff, describe the performance audit process and protocol, and request general information on the program.
- We reviewed (1) the conditions development and tracking process, including interviews with key City officials, community members, and developers, and (2) documentation provided by City departments. At the conclusion of these activities, we developed a more detailed plan for conducting subsequent performance audit activities.
- We conducted field work to research key elements of the City's program with additional interviews, and collection and analysis of data. At the conclusion of field work activities, we developed preliminary findings, conclusions and recommendations.
- We surveyed nine cities and counties regarding best practices in developing and monitoring development project conditions: (1) Henderson, Nevada, (2) New York City, New York, (3) Phoenix, Arizona, (4) Pierce County, Washington, (5) San Diego, California, (6) San Jose, California, (7) San Francisco, California, (8) Tallahassee, Florida, and (9) Vancouver, British Columbia.

City of Los Angeles Oversight of Land Use and Development

Various U.S. Supreme Court and California Supreme Court decisions have established the legal basis for local governments to regulate land use. Generally, local governments can regulate land use to protect public health, safety, and welfare.

Los Angeles General Plan and Planning and Zoning Code

In the City of Los Angeles, the General Plan and the Planning and Zoning Code govern land use. The City's General Plan contains the City's goals, objectives, policies, and programs for the development of the City, and serves as the guide for the physical development of the City. The Department of City Planning is responsible for implementing the General Plan through application of the Planning and Zoning Code and other land use regulations.

The Department of City Planning's Review of Proposed Development Projects

According to the Planning and Zoning Code, the Department of City Planning is responsible for reviewing and approving development projects to:

- Promote orderly development;
- Evaluate and mitigate environmental impacts; and
- Promote public welfare and safety by ensuring the adequacy of infrastructure and reducing environmental impacts.

Development projects include the (1) construction of, addition to, or alteration of any building or structure, or (2) change of use of an existing building or structure that:

- Requires a building permit; and
- Results in a (1) net increase in floor area, or (2) increased impact of vehicle traffic to the site.

Process for Discretionary Approval of Development Projects

When a development project conforms to the Planning and Zoning Code, the property owner can construct the project “by-right” without Department of City Planning review. A development project is discretionary if the project or project site has special circumstances for which strict application of the Planning and Zoning Code provisions is impractical.

Under the Planning and Zoning Code, the decision makers review and approve discretionary projects, imposing conditions of approval (“land use entitlements”) to:

- Ensure that the project generally complies with the General Plan;
- Remedy any disparity of privilege arising from the discretionary approval; and
- Protect the public safety, health, and welfare.

The process for discretionary approval of development projects can include:

- Project application;
- Review by Department of City Planning staff;
- Environmental review¹;
- Referral to other City departments, such as the Departments of Building and Safety, Transportation, and Public Works, for review;
- Public hearing if the proposed project impacts neighboring properties; and
- The decision maker’s approval or disapproval, including the determination letter imposing conditions of approval.

¹ The Municipal Code requires environmental review under the California Environmental Quality Act (CEQA) for (a) large development projects of more than 50,000 square feet, or more than 50 residential units, (b) drive-through fast food restaurants with increases in daily vehicle trips specified in the Code, and (c) housing units in the Greater Downtown Housing Incentive Area. The Department of City Planning cannot issue planning permits (and the Department of Building and Safety cannot issue building permits) until conditions for these projects have been cleared. The Municipal Code exempts development projects from environmental review if the special plan, which contains the land use requirements for a specific neighborhood or location within the City of Los Angeles, has a certified environmental impact report. The Municipal Code exempts other development projects from environmental review if they meet specified conditions.

Decision Makers

Under the Planning and Zoning Code, the Director of Planning, Zoning Administrator, Area Planning Commissions, City Planning Commission, or City Council, each have a designated authority as a decision maker to approve discretionary development projects and impose conditions of approval. Exhibit I describes the authority of each decision maker in approving discretionary development projects and imposing conditions.

In addition, development projects requiring the subdivision of land, such as tentative tract or parcel map² applications, are decided by the Deputy Advisory Agency, appointed by the Director of Planning. The California Subdivision Map Act requires that subdivision decisions are separate from other land use entitlement decisions, but a 2003 City Council action allows joint hearings for subdivision and other discretionary approvals.

City Departments' Roles in the Development Process

The Department of City Planning

The Department of City Planning is the lead agency for approving discretionary development projects.

- The Director of Planning is the chief administrative officer of the Department. In addition to administrative duties, the Director is responsible for preparing the General Plan and amendments to the General Plan; all zoning and other land use regulations and requirements; investigating and acting on the design and improvement of all subdivisions of land; and additional powers and duties as provided by the ordinance.

The Department has three Deputy Directors:

- The Deputy Director, Citywide and Administration, is responsible for (1) the records counter, (2) information systems, (3) department operations, (4) Area Planning Commission and City Planning Commission support, and (5) liaison to the Mayor and City Council.
- The Deputy Director, Zoning Administration, is responsible for (1) environmental review, (2) zoning administration, (3) urban design, (4) historic resources, (5) subdivision mapping, and (6) public counter activities.
- The Deputy Director, Community Planning Bureau, is responsible for (1) community plans, (2) long range planning, (3) case processing, and (4) public counter activities.

The Department of City Planning is undergoing an organizational change. The new organizational structure currently in the initial implementation will incorporate seven planning

² Subdivision of land includes parcel map or tract map applications. Under the California Subdivision Map Act, generally a parcel map subdivides the property into four or fewer parcels and a tract map subdivides the property into five or more parcels.

areas for all department responsibilities, including long-range planning, case processing, zoning administration, environmental review, and subdivision of land. These seven planning areas will each have a specific geographic location. The reorganization will also include some City-wide oversight to ensure consistency. The Department of City Planning's intent in reorganizing into geographic teams corresponding to the Area Planning Commissions is to improve services to constituents.

In FY 2008-09, the Department City Planning budget is approximately \$34 million, of which \$10 million, or approximately 30 percent, is allocated to processing development project applications. In each of the last three fiscal years, the number of development project applications submitted to the Department of City Planning has decreased, as shown in the table below.

Table 1

Development Project Applications: FY 2005-06 through FY 2007-08

Decision Maker	Total Applications			Three Year Decrease	Percent
	FY 2005-06	FY 2006-07	FY 2007-08		
Director of Planning	1,674	1,616	1,499	-175	-10%
Zoning Administrator	1,999	1,933	1,741	-258	-13%
Deputy Advisory Agency	2,578	1,054	688	-1,890	-73%
Area Planning Commissions	137	125	99	-38	-28%
City Planning Commission	150	153	105	-45	-30%
TOTAL	6,538	4,881	4,132	-2,406	-37%

Source: Planning Case Tracking System (PCTS)

Other City Departments

Recommending Conditions of Approval

Other City departments recommend conditions of approval to the decision maker if the project impacts the public right of way or other City requirements, as discussed in Sections 2 and 3 of this report.

- The Department of Public Works is responsible for the public right of way and each of the Department's bureaus - Engineering, Streetlighting, Street Services, and Sanitation - review project applications and recommend conditions for public right of way improvements as necessary.
- The Department of Transportation is responsible for reviewing development projects' traffic impacts and recommending traffic improvements.

- Other City departments, such as Housing, Fire, and Water and Power, review development project applications and recommend conditions of approval appropriate to their jurisdictions.

Overseeing Implementation of Conditions of Approval

Once the decision maker has approved the development project with conditions and the Department of City Planning has reviewed the project plans for compliance with the conditions of approval, the Department of Building and Safety approves the final project plans for compliance with the City's building and zoning requirements. The Department of Building and Safety oversees construction of the project on the private property, including compliance with the project's conditions of approval, and approves the Certificate of Occupancy.

The Department of Public Works Bureau of Engineering approves the final project plans for construction in the public right of way, including compliance with the project conditions. The Department of Public Works Bureau of Contract Administration oversees construction in the public right of way.

The Department of Transportation approves any project traffic plans and oversees construction and completion of traffic improvements.

Sections 3 and 4 discuss project plan approval and construction oversight in more detail.

Acknowledgements

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Exhibit I: Role and Responsibilities of Decision Makers

Decision Maker	Description	General Responsibilities	Role in Quasi Judicial Land Use Decisions	Role in Legislative Land Use Decisions
Director of Planning	Chief Administrative Officer of the Planning Department	Responsibilities include (a) preparing the General Plan and General Plan amendments; (b)overseeing subdivisions and mapping; and (c) overseeing land use and zoning regulations.	<ol style="list-style-type: none"> 1. Approves proposed development projects that comply with the specific plan. 2. Approves proposed development projects that have minor adjustments to the specific plan subject to limitations of the Municipal Code. 3. Approves zone boundary adjustments. 	Recommends on planning issues to the City Planning Commission
Chief Zoning Administrator	Oversees the Office of Zoning Administration within the Planning Department	Responsibilities include investigating and making decisions on all applications for zoning variances, some conditional uses, and other special zoning permits.	<ol style="list-style-type: none"> 1. Hears conditional use requests for projects not under the jurisdiction of the City or Area Planning Commissions. 2. Hears requests for zoning variances. 3. Approves slight adjustments to building line, density, height, and other requirements. 	None

Decision Maker	Description	General Responsibilities	Role in Quasi Judicial Land Use Decisions	Role in Legislative Land Use Decisions
Area Planning Commissions	Seven Area Planning Commissions consisting of five private individuals serving without pay	Responsibilities include (a) hearing appeals on actions taken by the Director of Planning or the Zoning Administrator; (b) decision maker on some zoning requirements; and (c) reviewing and making comments to the City Planning Commission and City Council on the General Plan.	<ol style="list-style-type: none"> 1. Can grant exceptions to the specific plans with conditions to ensure General Plan conformance. 2. Hear conditional use requests for mixed commercial/residential developments. 3. Hear appeals on the Director of Planning's and Zoning Administrator's development project decisions. 4. Review and comment to the City Planning Commission on zoning changes to the City Planning Commission. 	Review and comment on land use ordinances and zoning changes to the City Council.
City Planning Commission	Consists of nine private individuals serving without pay	Responsibilities include advising the Mayor, City Council, Director of Planning, and other City agencies on the General Plan and associated legislation.	<ol style="list-style-type: none"> 1. Hears conditional use requests for large projects. 2. Makes decisions on proposed development projects that cross Area Planning Commission boundaries. 	<ol style="list-style-type: none"> 1. Recommends General Plan and specific plan amendments and other land use ordinances to the City Council. 2. Makes recommendations on projects involving both quasi-judicial and legislative action.

Decision Maker	Description	General Responsibilities	Role in Quasi Judicial Land Use Decisions	Role in Legislative Land Use Decisions
City Council	Elected legislative body of the City of Los Angeles		1. Hears appeals on the Area Planning Commissions' decisions on special plan exceptions. 2. Hears appeals on conditional use decisions by the Area Planning Commissions or City Planning Commission. 3. Hears appeals on Area Planning Commissions' decisions on zoning variances.	1. Decides on specific plan amendments recommended by the City Planning Commission. 2. Decides on zoning changes. 3. Decides on projects involving both quasi-judicial and legislative action.
Mayor	Elected executive of the City of Los Angeles		Hears final appeal on zoning variances and conditional use permits subject to City Council override.	Makes recommendations on legislative actions.

1. Imposing Entitlement Conditions

- The City of Los Angeles' community plans, which represent the Land Use Element of the General Plan, are outdated and not specific enough to direct the development project approval process consistently and predictably. Though the City's development project approval process allows for discretion on the part of the decision makers for proposed projects not covered by the Planning and Zoning Code, development projects are subject to a larger degree of case-by-case discretion than would be necessary if community plans were well-developed.
- The Department of City Planning recommends conditions of approval that often are not clear or specific. For example, a college development project determination letter failed to specifically define additional parking required as a condition of approval. The City Planning Commission had specified that dormitory parking should be provided within the project's parking garage pursuant to Planning and Zoning Code requirements but the Director of Planning's modification requiring a minimum of 84 parking spaces was less than Planning and Zoning Code requirements. An alternative reading of the Code could have required 116 parking spaces. The City Planning Commission's determination letter should have specified the exact parking requirements to reduce the risk of misinterpretation.
- Further, the Department of City Planning has not established quantitative criteria to use as the basis of conditions of approval for common development issues for which there are no standards in the Planning and Zoning Code. For example, Department of City Planning staff recommended to the City Planning Commission the college parking requirements that exceeded the Planning and Zoning Code requirement without a quantitative basis for the recommended number of parking spaces.
- Decision makers use administrative procedures to address perceived shortcomings in the community plans. However, by imposing conditions based upon the Department of City Planning's administrative procedures, the decision makers may be acting without the authority granted by the Planning and Zoning Code. For example, Department of City Planning staff recommend conditions requiring guest parking for multi-residence projects in the absence of Planning and Zoning Code or specific plan requirements based on the Department of City Planning's Division of Land's internal policy.

- **Prior to the completion of new community plans through the Department of City Planning’s ten-year community planning process, the Director of Planning should clarify the Department of City Planning’s authority in recommending development project conditions, such as guest parking, and ensure that conditions are imposed uniformly to development projects. Also, the Director of Planning should develop (1) procedures for ensuring specific and clearly written conditions and (2) quantitative standards for imposing conditions.**

The California Government Code defines a development project as any project undertaken for the purpose of development, including projects requiring construction permits but not projects requiring operating permits. In the City of Los Angeles, the General Plan governs development. The City has 35 community plans that serve as the Land Use Element of the General Plan. Individual neighborhoods within the community plans may have specific plans that define the zoning requirements for that neighborhood. Additionally, the City’s Planning and Zoning Code sets forth (1) zoning requirements for the City as a whole and (2) procedures for approving development projects.

Most construction projects receiving building permits from the Los Angeles Department of Building and Safety can be constructed “by-right”, indicating that the project complies with the City’s zoning requirements and does not require further approval. However, a development project is discretionary if the project or project site has special circumstances for which strict application of the Planning and Zoning Code provisions is impractical.

Discretionary Development Projects

In approving discretionary projects, the decision maker¹ imposes conditions to remedy any disparities that may result, protect health and safety, and ensure general compliance with the objectives of the General Plan. If the decision maker approves the discretionary development project, the Department of City Planning can issue a land use permit (“entitlement”) to the applicant once the conditions of approval have been met.

The Planning and Zoning Code outlines the process for reviewing discretionary development projects and imposing conditions to ensure that the project conforms to the intent of the General Plan. For the land use entitlement, the decision maker imposes conditions specific to the entitlement. If the proposed development project impacts the public right of way or must meet some other City requirement, such as providing affordable housing, the appropriate City department recommends conditions to meet these requirements to the decision maker for inclusion in the determination letter.

¹ As discussed in the Introduction and shown in Exhibit I, the decision maker can be the Director of Planning, Zoning Administrator, Area Planning Commission, City Planning Commission, or City Council, depending on the type of discretionary approval.

Land Use Entitlements

Land use entitlements are of two types:

1. Quasi-judicial entitlements include specific plan exceptions, zoning variances, conditional use requests, adjustments to height, density, yard set back, and other changes to zoning requirements. Quasi-judicial decisions are supported by written findings of fact based upon evidence, in accordance with the Planning and Zoning Code.
2. Legislative entitlements require approval by the City Council through an ordinance, upon recommendation by the Area Planning Commissions or City Planning Commission, including zone or height district changes and specific plan amendments.

The Department of City Planning's process for reviewing development projects and imposing conditions varies depending on the type of discretionary approval and decision maker.

- For projects requiring legislative action, planners in the Department of City Planning's Community Planning Division recommend conditions for approval to the City Planning Commission and Area Planning Commissions, based on their review of the project and testimony gathered in the public hearing. Community Planning Division planners also review development projects requiring special plan permits and recommend conditions to the Director of Planning or the respective Area Planning Commission.
- For projects requiring zoning adjustments, variances, and certain conditional use approvals, Zoning Administrators write their own conditions based on their review of the project, including reports by the zoning investigators and testimony gathered in the public hearing.
- For projects requiring land subdivision, the Deputy Advisory Agency imposes conditions for improvements in the public right of way, as discussed below. Applications for land subdivision can be combined with applications for other discretionary actions. For combined applications, the Deputy Advisory Agency will decide subdivision as well as other discretionary actions, including imposing conditions on the development project.

In FY 2007-08, the Department of City Planning received more than 4,000 development project applications, of which the Director of Planning and the Zoning Administrator were the decision makers for more than three-quarters of the applications. The Area Planning Commissions and the City Planning Commission were the decision makers for only 5 percent of the development project applications.

Table 1.1
Development Project Applications by Decision Maker
FY 2005-06 through FY 2007-08

Decision Maker	FY 2005-06		FY 2006-07		FY 2007-08	
	Total Applications	Percent	Total Applications	Percent	Total Applications	Percent
Director of Planning	1,674	26%	1,616	33%	1,499	36%
Zoning Administrator	1,999	31%	1,933	40%	1,741	42%
Deputy Advisory Agency	2,578	39%	1,054	22%	688	17%
Area Planning Commissions	137	2%	125	3%	99	2%
City Planning Commission	150	2%	153	3%	105	3%
TOTAL	6,538	100%	4,881	100%	4,132	100%

Source: Planning Case Tracking System

Imposing Conditions on Discretionary Development Projects

The Planning and Zoning Code requires the decision maker to impose conditions on discretionary development projects to (1) remedy any resulting disparity that may arise from an exception to the community or specific plan or provisions of the Planning and Zoning Code, (2) protect the public health, safety, and welfare, and (3) assure compliance with the objectives of the General Plan. Although conditions for land use entitlements are specific to the development project, the Department of City Planning has developed standard conditions that can be imposed on similar projects.

Standard Conditions

The Community Planning Division developed a *Standard Conditions Manual* in October 2001 that outlines the standard conditions for projects under the jurisdiction of the Director of Planning and the City and Area Planning Commissions. The *Standard Conditions Manual* outlines four types of conditions:

- *Entitlement Conditions* are mandatory for all reports and describe the basic features of the project approval.
- *Administrative Conditions* are required for most reports and describe the guidelines and procedures for interpreting, implementing, and enforcing the conditions of approval.
- *Environmental Conditions* are mandatory for all reports accompanied by a Mitigated Negative Declaration or Environmental Impact Report.
- *Other Conditions* are included as appropriate for the specific project.

Entitlement conditions include: (1) the use of the property; (2) the site plan; (3) the building's floor area; (4) the density, or number of buildings or residential units on the property; (5) the height of all buildings; and (6) parking.

Other conditions can include: (1) specific dwelling or housing requirements, such as senior housing; (2) building attributes, such as balconies and façade; (3) detailed parking requirements; (4) traffic, transportation, and pedestrian plans; (5) construction mitigation measures; (6) public improvements; (7) walls and fences; (8) operational conditions, such as hours of operation or noise levels; and (9) other conditions specific to the type of project.

The *Standard Conditions Manual* provides a template for writing conditions specific to the project.

Zoning Administration has a template for the determination letter that outlines five standard conditions for projects requiring zoning decisions. These standard conditions include requirements that: (1) the project's use, height, and area comply with the Planning and Zoning Code; (2) the project conform with the plot and floor plans submitted with the application; (3) the property use be conducted with due regard for the character of the surrounding district; (4) graffiti be removed within 24 hours; and (5) conditions be imprinted on the project plans.

Finding #1: Outdated Community Plans Contribute to Discretion in Approving Development Projects

The City of Los Angeles' community plans, which represent the Land Use Element of the General Plan, are outdated and not specific enough to direct the development project approval process consistently and predictably. The majority of the 35 specific community plans were last updated in the mid 1990s, with some that have not been updated since the 1980s. Further, many provisions of the Planning and Zoning Code are outdated. While the City Council periodically adopts new or revised Planning and Zoning Code provisions, many Code provisions have not been updated since the 1950s and 1960s. Though the City's development project approval process allows for discretion on the part of the decision makers for proposed projects not covered by the Planning and Zoning Code, development projects are subject to a larger degree of case-by-case discretion than would be necessary if community plans were well-developed.

The Department of City Planning implemented the New Community Plan program in 2007 to update the plans, and is currently in the early stages of updating 12 of the 35 community plans. The Department of City Planning expects the New Community Plan Program to extend over ten years. The City Council allocated \$4.8 million in FY 2008-09 for the New Community Plan Program. The Department of City Planning intends to initiate the community planning process for four community plans each year, requiring up to three years for each new community plan. According to the Director of Planning, the development project approval process will be streamlined and less discretionary once the new community plans are implemented.

The Director of Planning should also recommend to the City Council new or updated Planning and Zoning Code provisions when the Planning and Zoning Code fail to address current zoning or development needs.

Decision Makers Address Shortcomings in the Planning and Zoning Code and the Community Plans Administratively

Decision makers use administrative procedures to address perceived shortcomings in the Planning and Zoning Code and the community plans. By imposing conditions based upon the Department of City Planning’s administrative procedures, the decision makers may be acting without the authority granted by the Planning and Zoning Code.

For example, decision makers often impose guest parking conditions for residential condominium projects although neither the Planning and Zoning Code nor specific plan for the project’s specific plan area require guest parking. The Department of City Planning’s Division of Land has an internal policy requiring guest parking for multi-residence projects requiring land subdivision.

The auditors reviewed 26 development projects, of which 14 were multi-residence projects. As shown in Table 1.2, nearly two-thirds of these projects had guest parking conditions which were not part of a specific plan. Two projects with guest parking conditions not included in a specific plan were not subdivision applications covered by the Department’s internal policy.

Table 1.2
Guest Parking Conditions for Multi-Residence Projects

Multi-Residence Development Projects with Guest Parking Requirements		Land Subdivision Applications	No Land Subdivision Application
Guest Parking Requirements in the Specific Plan	5	n/a	n/a
No Guest Parking Requirements in the Specific Plan	9	7	2
Total	14	7	2

Source: Case Review of 26 Development Projects

Also, decision makers impose conditions for projects in the Mount Washington/Glassell Park Specific Plan area for which they have no clear authority. Decision makers require that development project applicants in the Mount Washington/Glassell Park Specific Plan area (1) install the landscape and irrigation system prior to a final site visit by the Department of City Planning, and (2) submit photographs to the Department of City Planning’s Community Planning Division at project completion. These conditions are intended to provide Department of City Planning oversight over landscape and architectural conditions prior to project completion, although the Mount Washington/Glassell Park Specific Plan does not provide for these conditions. Two of the 26 development projects contained this provision.

While discretion and flexibility in imposing conditions is often cited as a means to achieve compromise between new development and community concerns, current practices, intended to address perceived deficiencies in the community plans, blur the authority by which decision makers impose conditions. Imposing such conditions can also result in ad hoc rather than standardized procedures, creating different criteria for different parts of the City and subjecting different applicants to different requirements.

Decision Makers Impose Conditions on Development Projects without Clear Criteria

The Department of City Planning has not established quantitative standards for recommending conditions of approval for development projects. For example, the City Planning Commission imposed parking conditions for a college dormitory project based on Department of City Planning recommendations without criteria for the specific number of parking spaces.

The City Planning Commission approved an unclearly-written condition, requiring a minimum of 235 parking spaces for a 274-bed student dormitory project on the college campus although the Planning and Zoning Code required 84 parking spaces. The November 10, 2005 City Planning Commission Meeting approved:

“A minimum of 235 parking spaces shall be provided. Parking for the proposed dormitory shall be provided within the project’s parking garage pursuant to L.A.M.C. (Los Angeles Planning and Zoning Code) Section 12.21.A.4.(b). Spaces in excess of L.A.M.C. requirements can be provided elsewhere on-site, within the existing campus boundary”.

Although the college wrote a letter on November 2, 2005 prior to the City Planning Commission meeting, stating that the proposed parking space requirement was “overly restrictive and focused on automobile parking contrary to efforts being made by the community and the college to promote bicycle, scooter, and motorcycle trips,” the City Planning Commission approved the 235-parking space requirement. The City Planning Commission’s determination letter does not explain the criteria for the additional parking requirement.

The Director of Planning issued a modification to the proposed dormitory plans on behalf of the City Planning Commission on June 15, 2006. The modification required a minimum of 84 parking spaces to be reserved for students living in the new dormitory, plus 151 parking spaces to serve as additional parking for students on campus, totaling 235 parking spaces. In the written finding, the Director stated that the parking spaces should consist of 127 standard spaces, 71 compact spaces, 7 spaces for disabled access, and 30 motorcycle, bicycle, and scooter spaces.

However, the college was unable to receive a Certificate of Occupancy for the modified parking spaces. In May 2008, the Department of City Planning had to issue a notice to the Department of Building and Safety, clarifying the condition and allowing the college to receive the Certificate of Occupancy for the reduced dormitory parking.

Finding #2: Decision Makers Impose Conditions of Approval that Are Unclear and Not Specific

Decision makers imposed unclearly-written or non-specific conditions on more than one-half of the 26 development projects. As shown above, conditions that are not clearly written or specific can lead to misinterpretation. The parking requirement imposed on the college not only exceeded the Planning and Zoning Code requirements but was not clearly defined. Although the Director of Planning later clarified the condition, this clarification may not necessarily have been the intent of the City Planning Commission.

- The Director of Planning’s clarification required a minimum of 84 parking spaces to be included in the new dormitory project, but the City Planning Commission required the number of parking spaces included in the Planning and Zoning Code. Although the Director of Planning identified the Planning and Zoning Code requirement as 84 spaces, an alternative reading of the code could have required 116 parking spaces.²
- Further, the Director of Planning’s clarification specified that 30 spaces were for motorcycle, scooter, and bicycle parking although the City Planning Commission did not authorize this use as part of the 235 required parking spaces.

The Department of City Planning’s *Standard Conditions Manual* Contains Language for Conditions that Is Not Specific

The use of non-specific language in writing conditions creates difficulties for both developers and planners. Use of terms such as “attractive” or “decorative” do not provide specific guidelines for drawing project plans or clearing conditions on the project plans. The Community Planning Division’s *Standard Conditions Manual* contains several instances of non-specific language, including:

- “solid decorative walls or decorative baffles” , in reference to parking structures page 8,
- “solid decorative mason masonry wall”, in reference to walls on page 17, and
- “attractively landscaped”, in reference to the landscape plan on page 22.

The Department of City Planning Decision Makers Impose Non-Specific Conditions of Approval in the Determination Letters

The determination letters for the 26 development projects contained frequent instances of non-specific language, some of which were incorporated from the *Standard Conditions Manual*.

² Based on Section 12.21.A.4.(b), we calculated the parking requirement as 30 parking spaces for the first 30 dormitory rooms, 15 parking spaces for 31 to 60 dormitory rooms, and 71 parking spaces for 61 to 274 dormitory rooms, totaling 116.

- Nine of the determination letters used non-specific language taken directly from the *Standard Conditions Manual*.
- Six of the determination letters also included non-specific language, such as “fast-growing plants”, “high quality fencing”, or “maximize trees”.

According to interviews, planners cannot verify non-specific conditions when checking the project’s site plans for compliance. The Department of City Planning has no guidelines to define such terms as “attractive”, “high quality”, or “decorative”. Also, according to interviews with developers, when conditions are not explicit the project cannot explicitly address the condition. Neither the planner nor the developer can ensure that the decision maker’s intent will be represented in the approved site plans or completed project.

Conclusions

In the absence of well-developed community plans, decision makers use administrative procedures to address perceived shortcomings in the community plans. By imposing conditions based upon the Department of City Planning’s administrative procedures, the decision makers may be acting without the authority granted by the Planning and Zoning Code. Although the Department of City Planning is creating new community plans, intended to decrease discretion in development project approval, the community planning process is extended over ten years. In the interim, the Director of Planning should recommend procedures to the City Planning Commission to address deficiencies in the community plans. In this way, the City Planning Commission can define the Department of City Planning’s authority in recommending development project conditions, such as guest parking, and ensure that conditions are imposed uniformly to development projects.

Also, the Department of City Planning has not developed quantitative standards for imposing conditions. Consequently, decision makers impose quantitative conditions, such as a specific number of parking spaces not required by the Planning and Zoning Code or specific plan, without clear justification.

Further, the Department of City Planning does not have procedures to ensure that conditions are specific and clearly written, risking misinterpretation by the public, project applicants and contractors, and City staff.

Recommendations

The Director of Planning should:

- 1.1 In consultation with the City Planning Commission, develop internal policies that clarify the Department’s roles, responsibilities and authority for recommending development project conditions not addressed by the Planning and Zoning Code or specific plans, and submit these policies to the Mayor for approval.

- 1.2 Recommend to the City Council new or updated Planning and Zoning Code provisions when the Planning and Zoning Code fail to address current zoning or development needs.
- 1.3 Develop and implement formal written quantitative standards for recommending conditions covering common development issues that are not addressed by the Planning and Zoning Code or specific plans.
- 1.4 Develop guidelines for development project site plan review and sign-off for development project conditions that are by definition qualitative and non-specific, such as design review.

Costs and Benefits

The Department of City Planning will need to allocate existing staff time to develop formal written procedures as recommended above. Improved procedures and management oversight should result in recommendations for conditions of approval that are clear and specific, and conform to the General Plan and Planning and Zoning Code, reducing the risk of misinterpretation and ad hoc and non uniform conditions of approval.

2. Imposing Conditions for Public Improvements

- **The Department of City Planning serves as the lead agency in reviewing and approving applications for discretionary development projects, including receiving recommendations from other City departments for public improvements and incorporating the recommendations as conditions of approval in the determination letter. However, the Department of City Planning does not actively manage other City departments in reviewing and recommending public improvements and City departments do not always respond with timely review of proposed development projects. Consequently, City departments often do not provide recommendations for public improvements to the Department of City Planning prior to the public hearing and the determination letter, though they subsequently impose them on the applicant, resulting in projects being approved without all public improvement requirements disclosed and documented.**
- **Development project decision makers do not consistently impose conditions for public improvements that are clearly-written, specific, and uniform across projects. When conditions are not clear or specific, City department staff cannot ensure that the project plans meet the intent of the decision maker when reviewing and clearing conditions of approval on the project plans. Conditions are redundant in some instances and the condition numbering system is cumbersome, resulting in project applicants, their contractors, and City staff not being able to easily track compliance with these conditions. Non-uniform application of conditions results in ad hoc rather than standardized procedures, subjecting different applicants to different requirements.**
- **While the “12 to 2 Committee”, comprised of representatives of the primary City departments involved in the development project approval process, was intended to address how the Department of City Planning and the Department of Building and Safety serve as lead agencies for the development process, the current focus of the 12 to 2 Committee is more limited. The 12 to 2 Committee is currently focused on City departments’ processes for reviewing development project applications and submitting recommendations for conditions to be entered into the Department of City Planning’s Condition Development and Management System (CDMS). If the 12 to 2 Committee is the forum for discussing interdepartmental oversight of development projects, this Committee needs to better define its role in identifying and solving interdepartmental problems. Further, the Mayor, with the assistance of the Department of City Planning and the 12 to 2 Committee, needs to define the role of the Department of City Planning in managing the development process.**

Applicants can be required to make public improvements to mitigate the impact of the project on the surrounding community or the City. According to the Department of Public Works' Land Development Manual:

“Local agencies have a long history of exacting requirements in exchange for permission to develop, but this practice became more prevalent after the passage of California Proposition 13 in 1978. Proposition 13 greatly reduced local governments' ability to raise property taxes leaving less money to finance infrastructure improvements. Local agencies in turn have increasingly looked to applicants to fund the improvements that will be needed to serve the development.”

Finding #3: The Department of City Planning has Inadequate Procedures to Distribute Project Applications

The Department of City Planning serves as the lead agency in reviewing and approving development project applications, referring applications to other City departments for their review. The Department of City Planning does not have well-established procedures for referring applications unless the application requires the subdivision of land.

Applicants submit their development project application at the public counter at the central location or at one of the district locations.¹ Public counter staff provide the applicant information on the different City departments that may be responsible for reviewing the development project and “strongly suggest” that the applicant obtain permit information from the respective City departments.

City departments become involved in development projects if:

- The project requires subdivision of land;
- The environmental review process recommends conditions with oversight from other City departments; and
- The project requires a zone change, including adequate streets, drainage, sewers, utilities, and parks or recreation facilities; or
- The project impacts the public right of way, requiring Department of Public Works permits.

Other City departments can also become involved if the project is located in a redevelopment zone, includes affordable housing, cultural or archaeology resources, or other issues specific to the project.

¹ Generally, applicants submit their development project application to the Department of Building and Safety. If the project requires discretionary approval, the applicant will be referred to the Department of City Planning, which shares the public counter at both the 201 N. Figueroa Street and 6262 Van Nuys Boulevard locations. Applicants may also submit their applications directly to the Department of City Planning's public counter.

The Department of City Planning lacks a formal written procedure for distribution of development project applications to other City departments for review. Only the Department's Division of Land, which processes subdivision applications, has a formal procedure to distribute applications for land subdivision to other City departments.² If the applicant requests to subdivide the property, the subdivision application is reviewed concurrently with the development project application.

If the proposed development project requires environmental review, the application may be referred to the Department of Transportation for a traffic assessment as part of the environmental review. Otherwise, the Department of City Planning, with the exception of the Division of Land, does not actively distribute applications to other City departments, monitor application review, or solicit recommendations for public improvements.

As discussed in Section 5, implementation of the Department of City Planning's new Condition Development and Management System (CDMS) will allow the planner to assign other City departments access to a project's electronic case file. However, implementation of CDMS does not change the Department of City Planning's current process for distributing hard copies of project applications, including proposed site plans, to other City departments for review

Finding #4: The Department of City Planning Does Not Actively Manage Application Review by Other City Departments

The Department of City Planning Requires Other City Departments to Submit Recommendations for Conditions of Approval Prior to Land Subdivision Hearings

The Planning and Zoning Code defines the process to identify public improvements required for the subdivision of land. The Director of the Division of Land is the "Deputy Advisory Agency" appointed by the Director of Planning to decide on subdivision cases. A Subdivision Committee consisting of representatives from the Departments of Public Works, Transportation, Water and Power, Building and Safety, and Fire make recommendations on parcel map and tract map applications. Public improvements required by the Subdivision Committee can include streets, street lighting, and street trees. Although the subdivision application is separate from other applications to develop the property, under the 2003 City Council action the applications are considered jointly. The Deputy Advisory Agency does not conduct public hearings for subdivision cases prior to receiving the report and recommendations from the Bureau of Engineering.

² Subdivision of land includes parcel map or tract map applications. Under the California Subdivision Map Act, generally a parcel map subdivides the property into four or fewer parcels and a tract map subdivides the property into five or more parcels.

The Department of City Planning Does Not Actively Solicit Recommendations for Public Improvements for Development Projects Not Requiring Land Subdivision

Other City departments review project applications and recommend project conditions of approval to the Department of City Planning based on their own procedures. For example:

The Department of Public Works' Bureau of Engineering

The Department of Public Works' Bureau of Engineering reviews zone change and other development project applications as well as subdivision applications. The Bureau of Engineering reviews the development project's proposed plot plan, outlining the project and radius map, and showing the relationship of the project to the surrounding properties. The applicant must pay a fee at the time of application, covering the Bureau of Engineering's costs for investigating street dedication and improvement requirements and submitting a report to the Department of City Planning.

The Bureau of Engineering's review includes:

- Street design standards set by the Street Design Standards Committee composed of representatives from the Department of Transportation, Department of City Planning, and Bureau of Engineering, which sets right of way minimum width and roadway improvement standards;
- Conformance with specific plan requirements;
- City Engineer street improvement standards; and
- Widening of existing substandard roadways.

The Bureau of Engineering also reviews applications for storm drain and sewer requirements and recommends storm drain or sewer improvements to the Department of City Planning if necessary.

The Bureau of Engineering's timeline for reviewing projects and submitting recommendations to the Department of City Planning is 39 days from the date of the fee collection. According to the Bureau of Engineering's Land Development Manual, priority for review is given to applicants who have paid the engineering investigation fee.³

³ According to the City Engineer, in general the Bureau of Engineering does not review the application until the fee has been paid. However, the Bureau of Engineering will review and prepare a report and recommendation to the Department of City Planning without the fee payment if the Department of City Planning staff request or if the Division of Land has scheduled a hearing. In these instances, the Bureau of Engineering requests that payment of the fee be included in the project's conditions of approval.

In the 2005 *Performance Audit of City Planning's Case Processing Function*, the Controller found that other City departments submitted their project recommendations to the Department of City Planning an average of 101 days for non-expedited development projects, although the City's performance standard allows for 39 days. While this audit did not specifically address review timeline, according to interviews, City departments continue to not submit recommendations for project conditions of approval to the Department of City Planning prior the issuance of the determination letter.

CDMS can track timelines for City departments' submission of recommendations for project conditions to the Department of City Planning, as discussed in Section 5. Although the Director of Planning, in conjunction with other City departments, is developing performance and reporting standards, the Department of City Planning has not yet developed the standards or begun generating management reports.

Because the Bureau of Engineering does not consistently provide recommendations to the Department of City Planning within the timeline, decision makers will conduct public hearings and issue determination letters for zone change and other project applications without receiving recommendations from the Bureau of Engineering. In these instances, the determination letter will contain placeholder language and the Bureau of Engineering will impose conditions for public improvements when the applicant applies for permits.

The Department of Public Works' Bureaus of Street Lighting and Street Services

The Bureau of Street Lighting and the Bureau of Street Services (which manages street trees) receive and review development project applications separately, although neither bureau generally submits recommendations for conditions to the Department of City Planning prior to the decision maker's determination letter.

The Department of Transportation

The Department of Transportation provides recommendations for project conditions to the Department of City Planning if the project is expected to have traffic impacts. If the development project is expected to increase traffic above a certain threshold, the Department of Transportation will conduct a traffic study, and as part of the study, the Department of Transportation will review the project's site plan and floor area calculations to calculate the increase in trips, and consult with the Bureau of Engineering to determine street requirements.

The Department of Transportation will consider traffic mitigation measures to be implemented by the applicant, including:

- Vehicle trip reduction incentives for employees and visitors;
- Financial support for increased public transit or vanpool services;
- Providing on-site bicycling and other facilities to reduce car use; and
- Other measures reducing car use.

The Department of Transportation also considers traffic signal improvements, and street widening and other improvements to be implemented by the applicant.

Other City Departments

Other City departments review specific aspects of a development project and may recommend conditions to the Department of City Planning as appropriate, for example:

- The Fire Department reviews fire hydrant placement and access by fire vehicles to the completed building.
- The Department of Water and Power reviews power transmission, encroachment into the public right of way, and adequate water access.
- The Department of Housing monitors affordable housing requirements.
- Under the Planning and Zoning Code, development projects in redevelopment areas are exempt from site plan review by the Department of City Planning if the Community Redevelopment Agency enters into an owner participation agreement or development and disposition agreement⁴ with the applicant.

Finding #5: The Decision Maker Includes Non-Specific or Place Holder Conditions for Public Improvements in the Determination Letter When Other City Departments Fail to Provide Recommendations

The Department of City Planning often does not impose conditions for public improvements that are specific to the project because:

1. The Department of Public Works and other City departments do not recommend conditions for public improvements prior to the issuance of the determination letter; and
2. The Department of City Planning's *Standard Conditions Manual* contains non-specific language for conditions for public improvements.

Development projects that require subdivision of land or zone changes also require public improvements, such as widening of streets, installation of street lights, planting of trees, or implementation of traffic signals and improvements. If the Department of Public Works or other City departments fail to submit recommendations for improvements to the decision maker prior to the public hearing or the determination letter, the decision maker will include place holder language in the determination letter, pending review of the application by the appropriate department or bureau within the department. Because the Deputy Advisory Agency does not

⁴ The owner participation agreement allows the applicant/owner to develop property owned by the applicant. The development and disposition agreement involves the sale of land owned by the Community Redevelopment Agency.

conduct public hearings or write the determination letter without submission of recommendations by the Department of Public Works, Department of Transportation, or other appropriate City department, the determination letters for development projects generally contain specific recommendations for public improvements.

While development projects that require zone changes require public improvements⁵, and development projects that require modification of the Planning and Zoning Code or specific plan may require public improvements, the Department of Public Works, or other City departments often do not submit recommendations for public improvements prior to the public hearing or issuance of the determination letter. Consequently, the decision maker will issue a determination letter with non specific requirements for public improvements, generally stating that street, street lighting, street tree, traffic, or other improvements are to be completed to the “satisfaction of the City Engineer, Bureaus of Street Lighting or Street Services (which is responsible for street trees), or the Department of Transportation”.

In our review of 26 development projects, we found that while the determination letters for projects requiring subdivision of land generally contained specific language for street, street lighting, and traffic improvements, determination letters for other types of projects did not. Very few determination letters contained specific recommendations for street tree improvements.

As shown in Table 2.1 the 26 development projects varied by type of discretionary action.⁶

Table 2.1
Type of Discretionary Action Required for 26 Development Projects

Type of Discretionary Action	Total Cases by Type	Percent of Total Cases
Subdivision of Land	14	54%
Zone Changes and Other Actions	11	42%
No Public Improvements	1	4%
Total	26	100%

Source: Case Review of 26 Development Projects

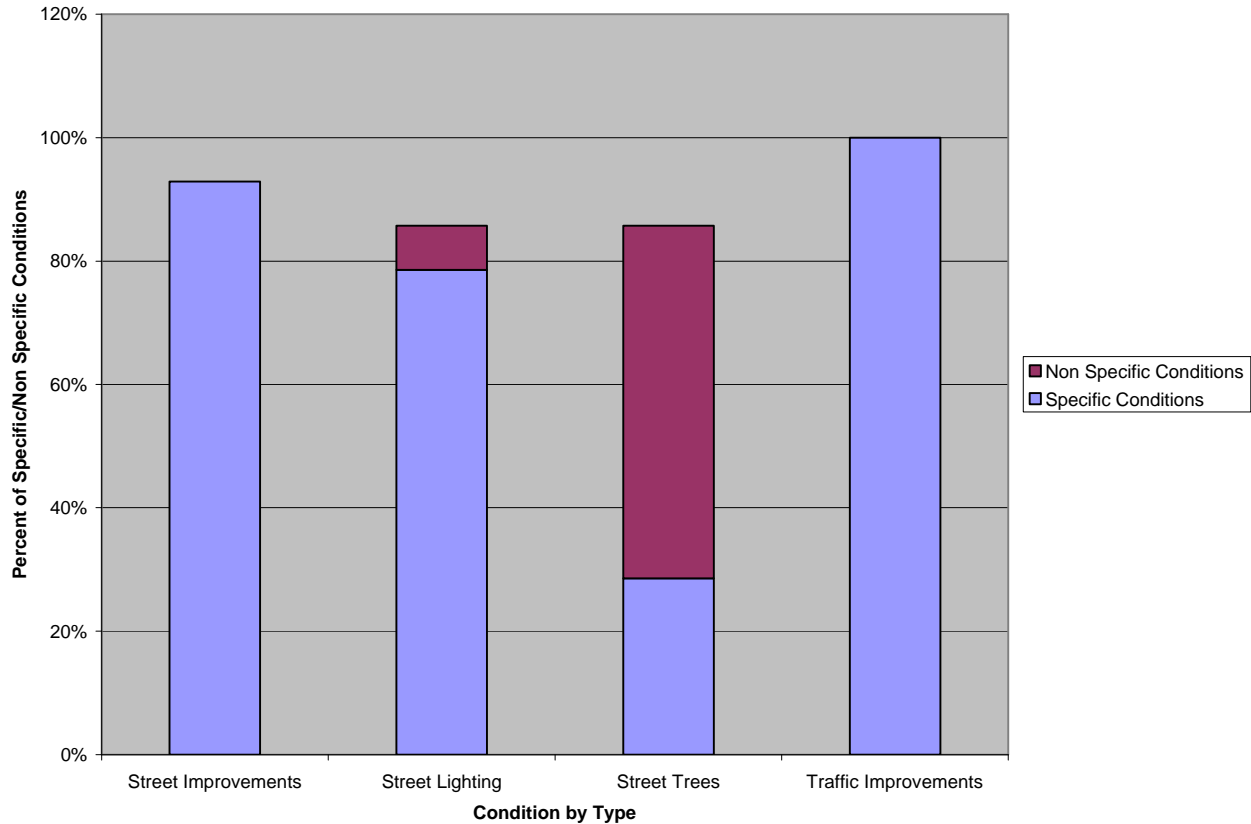
⁵ According to the Planning and Zoning Code, a proposed zone change may require provisions for adequate streets, utilities, and other public improvements. The subject property is designated as a “T (or Tentative) classification” pending completion of the public improvements and recording of the final map.

⁶ In 2007, approximately 18.5 percent of Department of City Planning cases involved land subdivision. Under the California Subdivision Map Act, subdivision cases are independent actions. In 2003 the City Council approved Municipal Code amendments that allowed for combined hearings on development projects that required subdivision and zone change or other discretionary action, although the decision maker issues separate determination letters for each action. Generally, only the larger development projects require public improvements, and these larger projects can be combined with actions on land subdivision. In our review of 26 development projects, 50 percent required land subdivision in conjunction with other discretionary actions.

As shown in Chart 2.1, the development projects requiring subdivision of land generally contained specific conditions for street, street lighting, and traffic improvements.

Chart 2.1

Percent of Specific and Non-Specific Conditions for Public Improvements in 14 Development Projects with Combined Subdivision and Other Discretionary Actions ¹



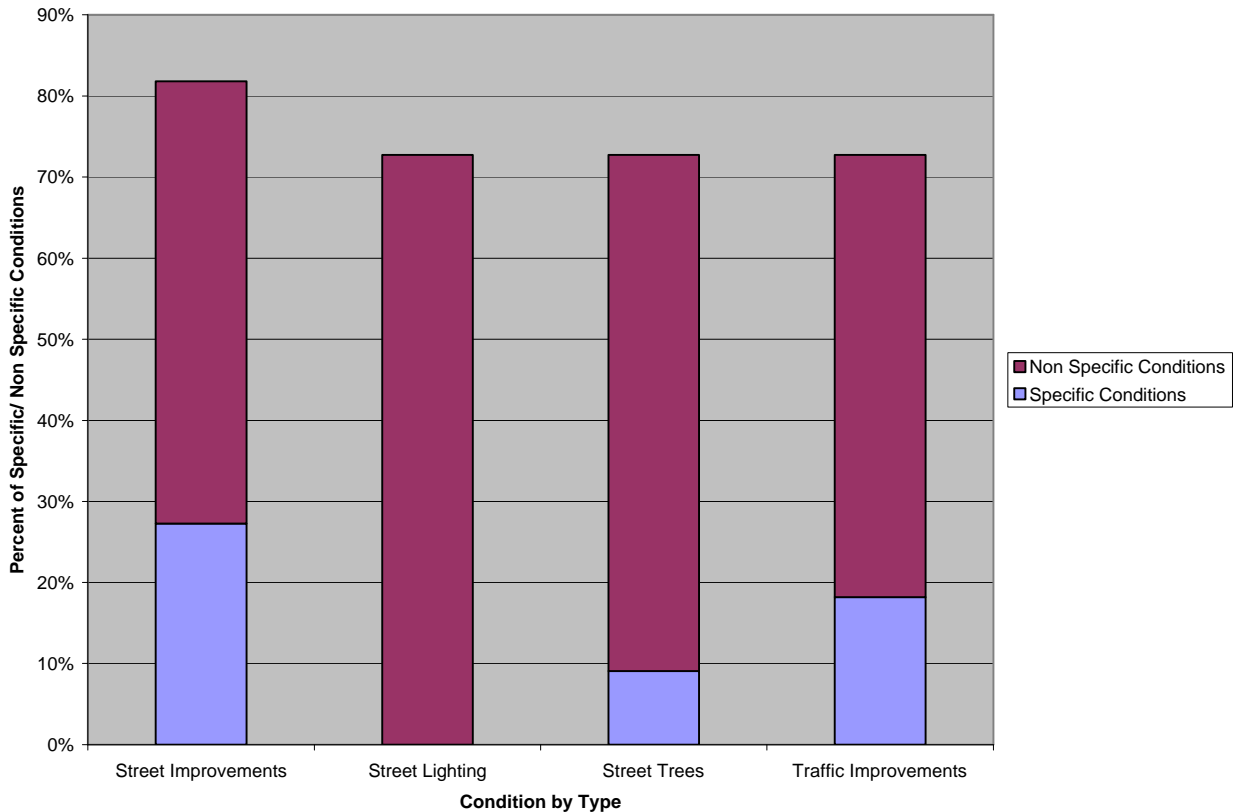
Source: Case Review of 26 Development Projects

¹ Fourteen of the 26 development projects that we reviewed combined land subdivision actions with zone changes, variances to the Planning and Zoning Code, or other discretionary actions, such as an exception to a specific plan.

As shown in Chart 2.2, most development projects not requiring subdivision of land did not contain specifically defined conditions for public improvements.

Chart 2.2

Percent of Specific and Non-specific Recommendations for Public Improvements in 11 Development Projects with Discretionary Actions Not Including Land Subdivision ¹



Source: Review of 26 Development Projects

¹ Eleven of the 26 development projects that we reviewed were discretionary actions that did not require land subdivision. One project did not require public improvements because of the project characteristics: an addition to an existing house in an Historic Preservation Overlay Zone. In addition to specific or non-specific conditions, the determination letter for these 11 projects might contain no condition referencing street, street lighting, street trees, or traffic requirements.

The Planning and Zoning Code calls for public hearings for the City or Area Planning Commissions and other decision makers to hear evidence that forms the basis of the decision. The determination letter becomes the public document that records the decision. If the recommendations for public improvements are neither submitted to the public hearing nor included in the determination letter, the decision maker is effectively removed from the decision making process for public improvements associated with the development project. Further, the applicant and public lack full information on the nature of the project and its requirements. Both

the applicant and the public can appeal the decision maker's determination, but the appeal process is less transparent if the public improvement requirements are not specified in the determination letter.

Finding #6: The Decision Maker Can Impose Non-Specific, Unclear, and Non-Uniform Conditions for Public Improvements

Decision makers may impose conditions for public improvements that are non-specific, unclear, or non-uniform.

City Departments Impose Conditions for Public Improvements after the Determination Letter Has Been Issued

When the determination letter contains non-specific language for conditions for public improvements, the Department of Public Works and other City departments impose conditions for public improvements after the decision maker issues the determination letter. As shown in Chart 2.2, the determination letters for the eleven development projects not requiring land subdivision did not have specific conditions for 50 to 75 percent of the street, street lighting, street tree, and traffic conditions.

The Department of City Planning's *Standard Conditions Manual* language for public improvements states only that improvements are to be made "to the satisfaction of the City Engineer" or other appropriate City representative. This language is incorporated into determination letters for development projects requiring zone changes or other modifications to the Planning and Zoning Code or specific plans. Consequently, the applicant must seek information from the Department of Public Works and other City departments after the determination letter has been issued regarding public improvement requirements.

For the projects that contained non-specific or no recommendations, the Department of Public Works imposed street improvement conditions after the decision maker issued the determination letter for more than one-half of the projects.

Table 2.2**Public Improvement Conditions Imposed after Issuance of the Determination Letter**

	Street Improvements		Street Lighting Improvements		Street Tree Improvements		Traffic Improvements	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Projects with No or Non-Specific Conditions with Public Improvement Conditions Imposed after the Determination Letter	4	57%	1	8%	4	20%	0	0%
Projects with No or Non-Specific Conditions with Public Improvement Conditions Not Imposed after the Determination Letter	3	43%	12	92%	16	80%	0	0%
Total	7	100%	13	100%	20	100%	7	100%

Source: Review of 26 Development Projects

The Department of Public Works may have imposed additional street lighting and street tree requirements after the determination letter was issued but these requirements are not routinely documented on the “Clearance Summary Worksheet” - the Department of Building and Safety’s tool to identify that all development project conditions have been cleared before issuing building permits. For example, for a new school, the Department of Public Works Bureau of Contract Administration construction inspector noted in the “Construction Inspector’s Daily Job” work sheet that “street trees still need to be planted” although the street tree requirement was not documented in the Department of City Planning or Department of Building and Safety Clearance Summary Worksheet.

Development project conditions of approval in the determination letter are printed on project plans, allowing Department of Building and Safety and Department of Public Works plan checkers and construction managers to compare the project plans and actual project construction with the conditions. When the determination letter does not contain specific conditions for public improvements, then these public improvement requirements are not clearly stated on the project plans and readily visible to plan checkers and construction managers, increasing the risk that the project’s conditions of approval are not implemented.

The Determination Letter Imposes Redundant, Cumbersome and Non Uniform Conditions for Public Improvements

Redundant Conditions for Public Improvements for Projects Requiring Land Subdivision

Because development projects requiring subdivision of land must comply with provisions of the California Subdivision Map Act, subdivision decisions are considered concurrently with other discretionary decisions, resulting in two determination letters: one for the subdivision and one for the other discretionary actions. Determination letters for projects requiring subdivision of land contain both specific conditions and “standard” conditions, resulting in redundant conditions within one determination letter. For example, the Director of the Division of Land wrote a determination letter approving the subdivision of land for a six town house development at that contains specific conditions for street improvements, parking and driveway requirements, street light installation, and street tree removal or replacement, as well as standard but redundant and non-specific conditions to (1) “install street lighting facilities...as required by the Bureau of Street Lighting”, and (2) “plant street trees and remove any existing trees...as required by the Bureau of Street Services”.

In addition, the City Council approved the zone change for the six townhouse development project, issuing a second determination letter. This determination letter included conditions for non-specific conditions for street improvements, parking and driveway requirements, street light installation, and street tree removal or replacement that were required for the zone change.

Cumbersome Numbering Systems

Many of the larger development projects can have a large number of conditions imposed, complicated by different numbering systems for conditions, depending on the City department or division within a City department recommending the condition. For example, the determination letter for subdivision of the six townhouse property contained the following numbering sequence for Conditions 1 through 18:

- Condition 8 contained sub-conditions 1 through 21,
- Condition 14 contained sub-conditions a through h,
- Condition 17 contained sub-conditions MM-1 through MM-21, and
- Condition 18 contained sub-conditions CM-1 through CM-21.

In addition the determination letter for subdivision of the six townhouse property contained:

- Department of City Planning Standard Condominium Conditions numbered C-1 through C-5, and

- Bureau of Engineering Standard Conditions numbered S-1 through S-3. Condition S-1 had sub-conditions (a) through (l); Condition S-2 had sub-conditions (a) through (3); and Condition S-3 had sub-conditions (a) through (i).

The City Council's determination letter contained additional conditions for public improvements numbered 1 through 9.

Project applicants, construction contractors, and City staff cannot easily track compliance when conditions are redundant with cumbersome numbering systems. Consequently, conditions may not be accurately implemented during the construction of the project.

Non-Uniform Conditions

Six of the 26 sample development projects had conditions requiring the project to incorporate design guidelines for security, including secured building access and parking lot features. These conditions were applied to (a) three schools, (b) one 350 residential unit complex, (c) one 51 residential unit affordable housing complex, and (d) one 16 residential unit condominium complex. Although the schools, affordable housing complex, and large 350 residential unit complex differed from the other 26 development projects in scope or purpose, the 16 residential unit condominium complex was similar in scope and purpose to several of the 26 development projects. However, no explanation was provided as to why the security design guidelines were imposed on the 16 residential unit condominium complex but not on other comparable properties.

When conditions are not clear or specific, City department staff cannot ensure that the project plans meet the intent of the decision maker when the City department staff review project plans and clear the conditions on the project plans.

When conditions are redundant or the numbering system is cumbersome, then project applicants, their contractors, and City staff can not easily track compliance with these conditions.

Finally, non-uniform application of conditions results in ad hoc rather than standardized procedures, subjecting different applicants to different requirements.

Finding #7: Neither the 12 to 2 Committee Nor the Implementation of CDMS Address Timely, Clearly-Written, or Specific Conditions of Approval

The Mayor has established a 12 to 2 Committee to address problems in interdepartmental processes to approve and oversee development projects⁷, and define the roles of the Department

⁷ The 12 to 2 Committee consists of: (1) Department of City Planning, (2) Department of Building and Safety, (3) Department of Public Works Bureau of Engineering, (4) Department of Public Works Bureau of Sanitation, (5) Department of Public Works Bureau of Street Lighting, (6) Department of Public Works Bureau of Street Services,

of City Planning and Department of Building and Safety as lead agencies in the development process. In July 2008 the Mayor issued a memorandum to the 12 to 2 Committee instructing the Committee members to complete specific tasks, including:

- Decrease the review time for Environmental Impact Reports;
- Decrease the time to complete and issue determination letters;
- Implement CDMS by October 2008;
- Develop a system to track overall application timelines; and
- Establish a new fee-based pre-development counseling program by January 1, 2009.

The 12 to 2 Committee is currently focused on City departments' processes for reviewing development project applications and submitting recommendations for conditions to be entered into CDMS.

Although implementation of CDMS can facilitate the Department of City Planning's process for tracking other City departments' review of project applications and timely submission of recommendations for conditions for public improvements, the Department of City Planning has not yet implemented management reports tracking timelines. Also, implementation of CDMS does not give the Department of City Planning authority to require timely submission of recommendations for development project conditions (see Section 5).

Further, while most City departments involved in development projects have submitted standard conditions for integration into CDMS, the system itself does not ensure that determination letters will have clearly written and numbered, or non-redundant conditions. The Department of City Planning should lead the 12 to 2 Committee in developing standard policies on writing and presenting conditions in the determination letters.

Conclusions

Although the Charter designates the Department of City Planning as the department responsible for implementing the General Plan, which governs land use and development in Los Angeles, the City's practice limits the Department of City Planning's role to reviewing development projects for compliance with the General Plan and approving land use entitlements. Under current City practice, the Department of City Planning does not actively manage the Department of Public Works, Department of Transportation, or other City departments in reviewing development projects for impact on the public right of way and recommending public improvements.

(7) Department of Transportation, (8) Department of Water and Power, (9) Recreation and Park Department, (10) Fire Department, (11) Housing Department, and (12) Community Redevelopment Agency.

Because the 12 to 2 Committee is intended to address problems in interdepartmental processes for approving and overseeing development projects, this Committee should also be the forum for defining the role of the Department of City Planning as the lead agency in the development process. The Mayor, with the assistance of the Department of City Planning and the 12 to 2 Committee, needs to define the role of the Department of City Planning in managing the development process.

Recommendations

The Mayor should:

- 2.1 Direct the 12 to 2 Committee, in conjunction with the Director of Planning, to define the role of the Department of City Planning in managing the development process including consideration of the costs and benefits of delegating authority to the Department over all departments in terms of their roles in the development project approval process (see Recommendation 4.1).

The Director of Planning, in conjunction with the 12 to 2 Committee, should:

- 2.2 Establish procedures to ensure timely submission of specific recommendations for conditions of approval to the Department of City Planning (see Recommendations 4.5 (a) and 5.2).
- 2.3 Evaluate City departments' standard conditions to ensure specific, non-redundant, and clearly numbered conditions of approval in the determination letter.
- 2.4 Develop procedures for uniform application of conditions of approval to comparable development projects.

Costs and Benefits

Implementation of these recommendations will require existing staff resources to evaluate current practices, and develop and implement new policies and procedures. Implementation should lead to an improved process for imposing conditions for public improvements and increased oversight over the development process.

3. Ensuring that Conditions of Approval are Met Before the Building Permit is Issued

- **After the decision maker approves the project proposal but before the Department of Building and Safety issues the building permits, the project applicant must submit the final project plans incorporating the conditions of approval to the Department of City Planning for review. At the same time the project applicant submits detailed building plans to the Department of Building and Safety for simultaneous review. While the Department of Building and Safety cannot modify conditions imposed by the decision maker, the Department of Building and Safety can modify building plans to meet building or zoning requirements. Although the Department of Building and Safety’s modifications can materially alter the project from the initial project plans submitted to the decision maker, the Department of City Planning lacks procedures to ensure Department of City Planning review of these modifications.**
- **For example, in a mixed use, 350 residential unit development project, the project applicant submitted a request to the Department of Building and Safety to permit exterior balconies. The applicant submitted the request, which was documented on the Department of Building and Safety’s “Request for Modification of Building Ordinances”, to the Department of Building and Safety because the balconies would be close to the property line, potentially in violation of building codes. Both the Fire Department and the Department of Building and Safety reviewed and approved the request, but even though the addition of balconies materially changed the project, the Request for Modification of Building Ordinances does not show a referral to the Department of City Planning for sign-off of this change.**
- **The Department of City Planning lacks department-wide documentation standards for clearing conditions on development project plans and maintaining records. In the absence of department-wide standards, each staff planner documents his or her plan review differently. Although the planner stamps and signs the final project plans, indicating that the project plans incorporate the conditions of approval, during our review we were unable to determine how the plans conformed with each condition of approval.**
- **Also, although the Department of City Planning has procedures for organizing formal files, no standards exist for required document retention. For example, we were not able to find copies of approved project plans for six of the 17 completed development projects that we reviewed.**

When the applicant submits an application for a development project to the Department of City Planning, the applicant generally must submit project plans, including:

- (1) A site plan showing the property boundaries, yard set backs, floor area of buildings to be constructed on the property, parking, landscaping, and other project components;
- (2) An elevation plan showing building height, property slope, and other elevation components;
- (3) A building floor plan; and
- (4) Other plans as required, such as landscape plans.

These plans are presented as exhibits at the public hearing and reviewed by the Department of City Planning staff and decision maker.

After the decision maker approves the project proposal but before the Department of Building and Safety issues the building permits, the project applicant must prepare and submit final project plans to the Department of City Planning and Department of Building and Safety incorporating the conditions of approval. The applicant submits detailed building plans to the Department of Building and Safety and a project site plan to the Department of City Planning for simultaneous review.

The Controller's 2005 *Performance Audit of the Department of City Planning's Case Processing Function* found that the Department of City Planning had last updated its policies and procedures manual for Zoning Administration, Subdivision, and Commission case processing functions in 1997, resulting in staff creating their own desk manuals and relying on more experienced staff to help ensure that their work is performed correctly. The Department of City Planning continues to lack department-wide policies and procedures for many of its core functions.

The Department of City Planning lacks standard department-wide procedures for reviewing final project site plans. The separate divisions of the Department of City Planning - Community Planning, Zoning Administration, and the Division of Land - have developed different procedures for processing development project applications and clearing conditions on the project plans. These differences stem in part from the different requirements for development projects processed by each division but also indicate the absence of central management over the development project approval process to ensure consistency in core functions and processes. Each division may have some written procedures for its specific activities, but in general the Department of City Planning relies on the Planning and Zoning Code to direct its activities, and has not developed department-wide standards for (1) documenting the clearing of conditions on the final project plans, and (2) ensuring that the Department of City Planning reviews project modifications made by the Department of Building and Safety.

Finding #8: The Department of City Planning Lacks Standard Review and Documentation Procedures

Responsibility for reviewing and approving site plans varies among the Department's divisions.

- If the project requires legislative action, such as a zone change, the Community Planning Division's Plan Approval Unit planners review and approve the final project plans.

- If the project requires land subdivision, the Division of Land planners review and approve the final project plans.
- If the project was decided by the Zoning Administrator, the Associate Zoning Administrator who served as the decision maker reviews and approves the final project plans. The Zoning Administrator's Case Management Unit will also review and approve final project plans in some instances.
- If the project was decided by the Area or City Planning Commissions, the Community Planning Division's planner who reviewed the project and wrote the staff report also reviews and approves the final project plans.

The Department of City Planning lacks department-wide documentation standards for clearing conditions on development project plans and maintaining records. The Department of City Planning should have formal department-wide policies and procedures for its core functions to ensure uniform approaches to similar functions, maintain quality, and reduce the risk of errors in clearing conditions on development project plans.

In the absence of department-wide standards, each staff planner documents their review of final project plans differently. Under Department of City Planning policy, the conditions of approval are imprinted on the final project plans' title page. The planner stamps and signs the final project plans, indicating that the project plans incorporate the conditions of approval imposed by the decision maker. However, the Department of City Planning has no standard documentation to show that each condition was reviewed and cleared. Although the Community Planning Division's Plan Approval Unit drafted a manual that addresses documentation standards in 2000, these standards are not followed department-wide.

When we reviewed approved plans, we were unable to determine how the plans conformed with each of the conditions in the determination letters. Some planners have developed an informal process to note on the determination letter how the planner identified conformance to each condition. Other staff planners use a single sign-off for all conditions with no detailed explanation on how compliance with each condition was considered as being achieved.

The planners may maintain their notes on clearing conditions in their personal files, but the Department does not include this documentation of clearing conditions in the Department's archived files. This lack of adequate documentation of clearing conditions poses risks to the City if the project applicant or City department staff, including Department of Building and Safety and Department of Public Works, misunderstand or misinterpret the project's conditions of approval. The actual project could differ significantly from the proposed project reviewed by the decision maker, especially if the conditions are unclear or non-specific (see Section 1).

The planner reviewing and approving the final project plans should ensure "substantial compliance" with the plans reviewed by the decision maker, but project components not specifically addressed in the conditions of approval can change in the final project plans, altering the appearance of the project. In the absence of documentation of plan review and clearing of conditions, the Department of City Planning cannot show how the final project plans and the

completed project substantially comply with the project plans reviewed by the decision maker and with the conditions of approval.

Also, although the Department of City Planning has procedures for organizing formal files, no standards exist for required document retention. For example, we were not able to find copies of approved project plans for six of the 17, or 35% of the completed development projects¹, reviewed..

Finding #9: The Department of City Planning and Department of Building and Safety Lack Coordinated Project Plan Review

As noted above, once the decision maker has issued the determination letter with all the conditions of approval, the applicant submits detailed project plans incorporating project conditions to the Department of Building and Safety to obtain building permits. At the same time, the applicant submits the site plan, including the landscaping plan, to the Department of City Planning to show compliance with the conditions of approval.

The Department of Building and Safety reviews the project plans for compliance with building and zoning requirements but does not issue building permits until the Department of City Planning approves the site plan for conformance with conditions in the determination letter.² If the Department of Public Works or other City departments must also clear conditions specific to their jurisdiction, the Department of Building and Safety does not issue building permits until all the conditions have been cleared by the respective departments.

The Department of Building and Safety cannot modify conditions imposed by the decision maker, but can modify zoning requirements up to 20 percent for some building renovations. Although the Department of Building and Safety's modifications can alter the project from the initial project plans submitted to the decision maker, the Department of City Planning lacks procedures to ensure Department of City Planning review of these modifications.

There is a risk that actual development project plans will not conform fully to development project conditions in the determination letter, because:

- Modifications to the project plans by the Department of Building and Safety to conform to building and zoning or construction requirements that can materially change the project but are not reported to the Department of City Planning; and

¹ Of the 26 development project files reviewed for this audit, 17 projects had been completed.

² The Department of Building and Safety reviews project plans and issues building permits for private property only. The Department of Public Works reviews public right of way plans, issuing a "B-permit" for construction in the public right of way.

- Non specific or unclear language in the determination letter requiring significant interpretation by the Department of City Planning or Department of Building and Safety plan checkers as to the intent of the conditions (see Section 1).

The Department of City Planning and the Department of Building and Safety review project plans independently of one another. The process does not provide sufficient checks to ensure that the Department of City Planning (a) knows of modifications to the project plans by the Department of Building and Safety and (b) reviews modifications to the project plans to ensure continued conformance to the conditions in the letter of determination. The Department of City Planning should have formal policies that address the Department's responsibility in reviewing project modifications to ensure compliance with the project plan presented to the public hearing and decision maker and the conditions in the determination letter.

According to interviews, the Department of Building and Safety generally notifies the Department of City Planning of modifications in the plans, but the Department of City Planning has no established procedure to (a) ensure that it is notified of all modifications and (b) review all project modifications made by the Department of Building and Safety. Although the Department of City Planning ends its participation in the development project process once the Department of City Planning approves the project plans, the Department of Building and Safety can approve project modifications both during and after the issuance of the building permits.

For example, in the mixed use, 350 residential unit project in Westwood Village, the project applicant submitted a request to the Department of Building and Safety to permit exterior balconies along the west and south exterior walls of the West Building, and along the south exterior wall and interior court in the East building. The applicant submitted the request, which was documented on the Department of Building and Safety's "Request for Modification of Building Ordinances", to the Department of Building and Safety because the balconies would be close to the property line, potentially in violation of building codes. Both the Fire Department and the Department of Building and Safety reviewed and approved the request, but the Request for Modification of Building Ordinances does not show a referral to the Department of City Planning. Because the Department of City Planning's determination letter did not contain specific conditions regarding balconies, approving the balconies did not conflict with the project's conditions of approval. However, the balconies did materially change the appearance of the building from the building drawings submitted to the decision maker as part of the proposed project plans.

Conclusions

The Department of City Planning does not adequately document its review of project plans for conformance to the determination letter, nor does it adequately retain documents. In the absence of documentation of plan review and clearing of conditions, the Department of City Planning cannot show how the final project plans and the completed project substantially comply with the project plans reviewed by the decision maker and with the conditions of approval.

Because the Department of City Planning lacks sufficient checks on the plan review prior to issuing building permits, development projects could be modified to not substantially conform

with the project plans presented at the public hearing and reviewed by the decision maker. Although both Department of City Planning and Department of Building and Safety staff stated that the Department of Building and Safety notifies the Department of City Planning of project modifications, project modifications can result from (a) the Department of Building and Safety's modifications to project components that are not specifically identified in the letter of determination, or (b) different interpretations of architectural and other qualitative features.

Recommendations

The Director of Planning should:

- 3.1 Develop and implement formal written department-wide documentation standards for clearing conditions on final project site plans, including a system to identify how the site plan conforms to the specific conditions of approval (see Recommendation 5.5).
- 3.2 Develop and implement a formal written department-wide document retention policy.
- 3.3 In conjunction with the General Manager of the Department of Building and Safety, develop formal written guidelines and control procedures to ensure that the Department of City Planning (1) is notified of all project modifications that materially change the project and (2) reviews all material project modifications made by the Department of Building and Safety.

Costs and Benefits

Development and implementation of new policies, procedures and guidelines will require existing staff resources. Implementation of formal procedures will ensure consistent review and documentation of project plans.

4. Monitoring Project Construction and Completion

- No single City department manages development projects from the project review through project construction and completion. The Department of City Planning does not manage other City departments' review of proposed projects (as discussed in Section 1) and does not actively monitor project compliance with the determination letter's conditions of approval once the building permits have been issued.
- In the absence of a single point of management, development projects can materially change during the construction and completion, with the final project different from the project approved by the decision maker. These material changes can result from changes to project plans to meet building code requirements or address design errors, unforeseen field conditions or other construction problems. Neither the Department of City Planning nor the Department of Public Works have established procedures to ensure that the Department of City Planning reviews project changes.
- For example, the Department of Public Works Bureau of Engineering approved Interim Change Authorizations that changed specific conditions of approval without notifying the Department of City Planning, including (1) reducing a pedestrian walkway from six feet to four feet, and (2) changing street lights from ornamental to a different type. Because the determination letter's conditions of approval are binding, project applicants and City staff do not have authority to alter specific conditions of approval without review by the Department of City Planning.
- None of the City departments directly involved in the development process have adequate controls to ensure that the project complies with the conditions of approval. The Department of Building and Safety does not have the specific expertise to enforce landscape and architectural conditions, and the Department of City Planning does not review implementation of these conditions in the constructed project. Although the Department of Building and Safety requires the project's landscape architect to certify compliance with the conditions of approval, we did not find consistent documentation. Also, the project architect or engineer certifies that the project complies with structural design requirements but does not certify compliance with other architectural conditions.
- The Department of Public Works does not ensure that conditions of approval for public improvements are implemented. For example, a school received a temporary Certificate of Occupancy although it had not installed required traffic improvements, potentially in violation of existing City ordinances.

- **The Mayor needs to define the role of the Department of City Planning in managing development projects and ensuring consistent project oversight from approval to completion.**

The Department of City Planning not only does not manage other City departments' review of proposed projects, as discussed in Section 1, but does not actively monitor project compliance with the determination letter's conditions of approval once the building permits have been issued. The Department of Building and Safety oversees building construction on private property and the Department of Public Works Bureau of Contract Administration oversees construction in the public right of way. If the project has traffic conditions, the Department of Transportation oversees traffic improvements, such as installation of traffic signals at adjacent intersections.

Once the Department of Building and Safety issues building permits, the Department of City Planning has no further involvement in the project. Consequently, no one City department manages development projects from the project review through project construction and completion.

Finding #10 The Department of City Planning Lacks Monitoring of Landscaping or Architectural Conditions

Because the Department of City Planning has no formal role in reviewing development projects during construction and completion, the Department cannot ensure that entitlement conditions, such as architectural effects or landscaping, are met.

Although the Department of Building and Safety manages compliance with construction requirements on private property, its staff lack qualifications for monitoring compliance with landscape or architectural conditions of approval during project construction. According to the Department of Building and Safety, field inspectors require the project architect and landscape architect to certify in writing that the completed project complies with the project plans submitted to the Department of City Planning. However, in our detailed review of three projects, we did not find consistent documentation of compliance with architecture or landscape architecture conditions. These three projects were:

- A single family residence in the Mount Washington/ Glassell Park Specific Plan area,
- Eight residential townhouses in Venice, and
- A mixed commercial and residential development with 350 residential units.

Landscaping Conditions

The Department of Building and Safety requires the project's landscape architect to certify the project's compliance with the landscaping conditions of approval. However, we were not able to find memoranda from the landscape architects for these three projects even though the determination letters required submission of landscape plans by a landscape architect. The absence of the memorandum from the landscape architect for the single family residential development at or the single family development was offset partially by the Department of City Planning's requirement, specific to the Mount Washington/Glassell Specific Plan area, requiring that (1) the landscape and irrigation system be in place and working order prior to a final site visit by the Department of City Planning, and (2) submission of photographs to the Department of City Planning at project completion.

Architectural Conditions

The determination letters for all three projects imposed conditions for architectural requirements or effects.

- For the single family residence, the determination letter required that the building be designed to include the architectural effects in the initial project drawings presented to the decision maker. According to an interview with the Principal Planner for the project, neither the Department of City Planning nor the Department of Building and Safety can ensure compliance with this condition in the completed project. Because this project is in the Mount Washington/Glassell Park Specific Plan area for which the Department of City Planning has established additional review requirements, as discussed in Section 1, the Department of City Planning staff requested the applicant to provide notice of (1) project changes and (2) project completion to allow a final Department of City Planning site visit prior to the Certificate of Occupancy.
- For the eight residential townhouses, the determination letter required that the buildings "be designed with visual breaks or architectural features, including balconies or terraces, with a change of material or a break in the plane every 20 horizontal feet and every 15 vertical feet". Prior to construction of the project, the project architect submitted a memorandum to the Department of City Planning stating that the architectural plans met the buildings' physical design requirements.
- The mixed use, 350 residential unit project was constructed in the Westwood Village Specific Plan area, with design review by the Westwood Design Review Board. According to the September 27, 2006 determination letter, the Director of Planning has the discretion to review and advise changes to the project's design. The September 27, 2006 determination letter contained several conditions for the project's design, including (1) stucco consistency, (2) size and location of the utility boxes, (3) landscaping, and (4) setbacks.

According to Department of Building and Safety staff, State law requires that the project architect or engineer certify that the project meets the City's structural design requirements. For

all three projects, the project engineer or architect submitted a memorandum to the Department of Building and Safety at completion of the project, certifying that the project met the City's structural design requirements. However, these memoranda do not address other architectural features or conditions.

Finding #11: The City Has No Interdepartmental Process to Resolve Disputes

No City department has authority to resolve conflicts in the development process. According to an interview with the project applicant for a student housing project, the current City process did not allow for conflict resolution when the Department of Transportation's project conditions conflicted with other project conditions. In this instance, a Mayor's Office staff person served as the project liaison to resolve the conflict.

While the 12 to 2 Committee was intended to (1) break down bureaucratic silos, (2) remedy long standing conflicts between City departments, and (3) find solutions to chronic problems in the City's entitlement and permitting process, the Committee has not defined the roles of the Departments of City Planning and Building and Safety as the lead agencies. The Department of City Planning does not currently have the authority as a lead agency to resolve conflicts in the development process.

Finding #12: Non-Specific Conditions of Approval Are Not Consistently Implemented in the Completed Project

Conditions for public improvements are not consistently implemented during construction and project completion to meet the intent of the decision maker. The Department of City Planning plays no role in monitoring actual adherence to these conditions since they occur after the building permit is issued.

For example, one condition often included in the determination letters for subdivision of land is:

“Removal and/or replacement of all trees in the public right of way shall require approval of the Board of Public Works. Tree replacement shall be to the satisfaction of the Street Tree Division of the Bureau of Street Services”.

The intent of this condition is unclear. According to the initial project drawings for the eight residential townhouse development, the project was to remove nine sidewalk trees. According to an interview with the decision maker, the trees would be replaced in a ratio of 2:1 in compliance with City policy. However, the Department of Public Works Bureau of Street Services Urban Forestry Division was unable to provide a written policy.

According to a memorandum from the Department of Public Works Bureau of Engineering, “street trees are required and all street tree fees have been paid”. According to the Urban Forestry Division, the street tree fees represented a cash bond. If the applicant did not plant the required trees, then the Department of Public Works would use the cash bond to hire a contractor

to plant the trees.¹ However, at project completion and issuance of the Certificate of Occupancy, the Bureau of Street Services reported that no trees were planted.

Finding #13: The Department of City Planning Lacks Oversight of Construction Project Interim Change Authorizations

Neither the Department of City Planning nor the Department of Public Works have procedures to ensure that changes to the project during construction of public improvements comply with the project's conditions of approval. The determination letter's conditions for public improvements are incorporated into the final project plans for street, street lighting, and other public right of way improvements. During construction, if the project requires changes to the plan due to unforeseen conditions in the field, design errors, or other project problems, the Department of Public Works Bureau of Engineering can approve the changes as an Interim Change Authorization. The Department of Public Works Bureau of Contract Administration oversees the changes during construction.

Although the Interim Change Authorization can alter project conditions, the Department of Public Works does not have procedures to notify the Department of City Planning of the change. For example, for two of the projects that we reviewed in detail, the Bureau of Engineering authorized project changes that revised the project's condition of approval without the Department of City Planning's review of the authorized change.

- For the eight residential townhouses, the determination letter included a condition to construct a minimum six-foot pedestrian walkway between adjacent streets. The Bureau of Engineering approved the Interim Change Authorization reducing the walkway from a minimum of six feet to four feet. The walkway that was constructed was approximately four feet wide.
- For the mixed use, 350 residential unit project, although the determination letter included a condition requiring ornamental street lights, the Bureau of Engineering approved the Interim Change Authorization to allow installation of two street lights of a different type. According to the Interim Change Authorization, the contractor requested the change because he had installed street light foundations per an approved street lighting plan that did not show street lights at the two locations. The requested change was to avoid having two street light poles in too close proximity.

¹ In September 2008 the Board of Public Works adopted a revised policy requiring the developer to plant street trees rather than posting a cash bond.

Finding #14: The Department of Public Works Did Not Enforce Completion of Public Improvements Prior to the Temporary Certificate of Occupancy

The Department of Building and Safety issued a temporary Certificate of Occupancy to a school project prior to completion of required public improvements. The Department of Building and Safety may issue a temporary Certificate of Occupancy, which can be renewed for up to six months at a time. According to Ordinance 165081, the Superintendent of Building may issue a temporary Certificate of Occupancy if all required public improvements have not been completed if the “failure to complete the public improvements was due to circumstances over which the person applying for the Certificate of Occupancy had no control”. The Department of Building and Safety cannot issue a permanent Certificate of Occupancy until all public improvements have been completed.

The Department of Building and Safety issued a temporary Certificate of Occupancy to the School, which was initially set to expire on January 10, 2009 but was extended until July 13, 2009. The applicant failed to complete street and traffic signal improvements at two street intersections located near to the school. The decision maker had required the intersection improvements because of the expected increase in traffic from the new 550-student high school.

Although Ordinance 165081 allows a temporary Certificate of Occupancy if the public improvements have not been completed due to circumstances over which the applicant had no control, the failure of the applicant to complete the street improvements does not appear to meet this standard. According to a letter to the City Planning Commission from a private attorney regarding the school project, the applicant’s request for relief on “ the grounds of financial hardship...is infeasible...the applicant is currently seeking a conditional use permit for a complex of new athletic fields and sports facilities on a ten acre site adjacent to the school.

In response to our request for information, the Department of Public Works Bureau of Engineering stated that Bureau of Engineering staff met with the applicant on November 17, 2008, informing the applicant that the public improvements must be completed before the final Certificate of Occupancy can be issued.

Finding #15: The Department of City Planning Lacks Enforcement Resources

The Department of City Planning lacks resources to enforce compliance with development project conditions of approval. The Department of City Planning does not have a well-defined enforcement role to ensure that applicants comply with project conditions of approval. Not only does the Department of City Planning play no role in monitoring actual adherence to conditions of approval during project construction once the Department of Building and Safety issues the building permit, but the Department of City Planning has limited functions to enforce ongoing or operational conditions. The Department of City Planning has a Nuisance Abatement Unit with

authority to revoke conditional use permits, such as alcohol permits, if the ongoing use creates a public nuisance, but otherwise has limited enforcement functions.

The Department of Building and Safety is responsible for investigating operational or use requirements for completed projects in response to complaints. The Department of Transportation is responsible for enforcing traffic requirements. Neither department actively inspects projects once they are completed. Although the Department of Building and Safety will respond to complaints about a completed project, according to interviews the Department staff do not feel qualified to enforce operational requirements, such as limited hours of operation or limits to the number of students allowed on a school facility. The Department of Transportation requires the developer to annually certify compliance with traffic requirements but only conducts site visits if the Department of Transportation receives complaints.

Conclusions

The City's development process involves several City departments, but no single department oversees the project in its entirety. Because large development projects can undergo changes during the planning, design, construction, and completion, the completed project can vary materially from the original plans presented to the decision maker.

The City's existing procedures to monitor development projects in their entirety are inadequate. The Department of City Planning's role ends with the issuance of building permits, and the City's procedures do not ensure that the Department of City Planning knows of material changes to the project. Because conditions in the determination letter are binding on the applicant, the Department of City Planning, Department of Building and Safety, and Department of Public Works should ensure compliance with the conditions during construction of the project and prior to issuing the certificate of occupancy.

To ensure coordination of project review and compliance with project requirements, the City should establish a critical point of project management responsibility for the Citywide development process.

Recommendations

The Mayor should:

- 4.1 Define the role of the Department of City Planning as the project manager for development projects.
- 4.2 Direct the 12 to 2 Committee to define the responsibility of the Department of City Planning, Department of Public Works, and Department of Building and Safety for resolving disputes.

The Director of Planning should:

- 4.3 In conjunction with the General Manager of the Department of Building and Safety, City Engineer, and Director of the Bureau of Contract Administration, develop procedures and control processes to ensure notification of the Department of City Planning for project changes during construction.
- 4.4 Evaluate potential expansion of the Department's enforcement function and present a report to the City Council prior to the FY 2010-11 budget review that includes:
 - (a) A definition of the Department of City Planning's enforcement function and its relationship to the Department of Building and Safety and Department of Transportation's enforcement functions;
 - (b) Costs of additional staff resources necessary to expand the Department's enforcement function;
 - (c) Potential fee- or fine-based revenues to pay the costs of additional staff resources; and
 - (d) Expected benefits of the expanded enforcement function.

The City Engineer should:

- 4.5 In conjunction with the Directors of the Bureau of Street Services, Sanitation, and Street Lighting, establish procedures to ensure:
 - (a) Timely submission of specific recommendations for conditions of approval to the Department of City Planning (see Recommendation 2.2 and 5.2); and
 - (b) Completion of all conditions of approval during project construction and prior to the Certificate of Occupancy.
- 4.6 In conjunction with the Director of Planning and the General Manager for the Department of Building and Safety, establish procedures to ensure:
 - (a) Notification of the Department of City Planning for material project changes (see Recommendation 4.3); and
 - (a) Department of City Planning review of the final project for compliance with entitlement conditions prior to the Certificate of Occupancy.

Costs and Benefits

These recommendations are intended to increase the Department of City Planning's oversight of development projects through the project construction and completion. Although expanding the

Department of City Planning's role could require new staff and new costs, these increased costs could be limited if the Department of City Planning's oversight role is "by exception". In other words, the Department of City Planning staff would not actively oversee projects but would be notified of any project changes for review. The Department of City Planning already reviews projects in the Mt. Washington/ Glassell Park Specific Plan area for compliance with architectural and landscape requirements. The City of Los Angeles – through the Mayor and the City Council – would need to formally define the Department of City Planning's role and responsibility to ensure that the Department of City Planning's project management function conforms to City policy and ordinances.

The Department of City Planning has been reviewing their fee structure to assess their fees for cost recovery. The Department of City Planning could pay for the costs of project management through their fee structure, protecting the City from any increased General Fund costs. However, the Department of City Planning also needs to look at efficiencies and possible cost-savings from implementation of CDMS (see Section 5) and geographic reorganization (see the Introduction). More efficient Department of City Planning practices could offset the increased costs of an expanded project management role.

5. CDMS Implementation

- **The Department of City Planning’s new data management system (Condition Development and Management System, or CDMS) automates many of the Department’s manual processes but the system alone does not fully address inadequate processes for managing development project conditions of approval. Implementation of CDMS does not change the Department of City Planning’s current process for distributing hard copies of project applications to other City departments, nor give the Department of City Planning the ability to require City departments to review project applications and submit recommendations for conditions of approval in a timely manner. Also, CDMS can facilitate creating conditions, but it does not ensure that they are specific or clearly written. Further, although CDMS allows electronic clearing of conditions, it does not create documentation standards for clearing conditions.**
- **Implementation of CDMS will add a third City department system to track development project conditions of approval without (1) a formal plan to coordinate these systems or (2) controls in place to ensure that these three systems will all contain the same information about the status of conditions of approval. The City’s Information Technology Agency has not played a role in developing CDMS to ensure a Citywide perspective on coordination of these systems.**
- **The Director of Planning needs to develop formal, written procedures to address inadequate Department of City Planning processes for managing development project conditions, some of which would be incorporated into CDMS. The Director of Planning also needs to develop a long-term implementation plan for CDMS, including (1) the costs and timelines for implementing CDMS capabilities and interfaces with the Department of Building and Safety’s and the Bureau of Engineering systems, and (2) incorporating the Information Technology Agency in coordinating interdepartmental systems.**

The Department of City Planning’s Manual Processes

The City Council approved funding to implement the Conditions Development and Management System (CDMS) beginning in FY 2006-2007, allowing the Department to more efficiently develop and track conditions imposed on development projects. The costs of developing CDMS are approximately \$1 million, as shown in Table 5.1. The Department of City Planning estimates ongoing costs of approximately \$300,000 annually.

Table 5.1
Actual Expenditures for Developing CDMS
FY 2006-07 to FY 2008-09

	FY 2006-07	FY 2007-08	FY 2008-09	Total
Personnel Costs ¹	\$238,634	\$277,264	\$282,262	\$798,160
Non-Personnel Costs ²	131,694	41,423	24,000	197,117
Total	\$370,328	\$318,687	\$306,262	\$995,277

Source: Department of City Planning, Information Technology Unit

¹ Personnel costs include contractor costs and Department of City Planning staff (Systems Analyst II).

² Includes computer hardware, software, and all equipment associated with the implementation of CDMS.

As reported to the City Council, CDMS is an enterprise system for the collection, processing, management, and dissemination of development project information, especially the project's conditions of approval. While CDMS implementation will substitute more efficient electronic processes for many of the Department of City Planning's existing manual processes, it does not address many of the City's inadequate procedures.

The Department of City Planning's Existing System Has Limited Electronic Case Processing

Prior to implementation of CDMS, the Department of City Planning's Planning Case Tracking System (PCTS) has allowed tracking but not electronic management of planning cases. PCTS contains information about the:

- Property location, including address, zone, census tract, City Council district, Area Planning Commission, neighborhood council, and community plan area;
- Property owner, developer, or project applicant;
- Case information and tracking references, including case number, application and action dates, hearing dates, decision maker actions, and appeals; and
- Special instructions for development plan approvals.

Case information in PCTS includes the determination letter (scanned into PCTS) with the conditions imposed on the development project, as well as other pertinent property, zoning, and land use or community plan information. This case information is imported electronically to CDMS.

CDMS Automates Many of the Department of City Planning’s Manual Processes

CDMS both creates and manages development project conditions of approval electronically, replacing many of the City’s manual processes for:

- Distributing development project applications within the Department of City Planning and to other City departments;
- Developing recommendations for entitlement conditions to decision makers,
- Soliciting recommendations for conditions for public improvements from other City departments, and
- Clearing entitlement conditions.

According to the *CDMS Users Guide*, the purpose of CDMS is to determine what conditions an applicant must meet in the processing of Department of City Planning cases, and to track which of those conditions have already been met.

Finding #16: CDMS Can Improve Inefficient Procedures But Cannot Fix Inadequate City Processes

As noted in Section 2, the Department of City Planning lacks effective procedures for (1) distributing development project applications to other City departments, and (2) ensuring that other City departments review project applications and provide recommendations for conditions of approval to the Department of City Planning in a timely manner. Although CDMS will improve these procedures, the system alone cannot fix inadequate City processes.

CDMS Does Not Fully Address the Department of City Planning’s Existing Processes for Distributing Project Applications and Ensuring Timely Response from Other City Departments

Implementation of CDMS does not change the Department of City Planning’s current process for distributing hard copies of project applications, including proposed site plans, to other City departments for review (see Section 2)¹. Implementation does allow the primary planner for the proposed project to (1) assign access to CDMS case files to other

¹ According to the Deputy Director of Planning, Citywide and Administration, the Department of City Planning intends for applicants to submit their applications electronically, allowing for electronic distribution of applications and site plans. However, the Department of City Planning does not yet have a plan or funding for electronic applications.

City departments, and (2) receive recommendations for project conditions of approval from other City departments electronically.

The primary planner determines who can access the CDMS case files, including determining which City departments have primary access to the case. Under CDMS, primary departments will initially review the project and recommend conditions. Once the primary department conditions are completed, secondary departments can review and recommend project conditions. By allowing other City departments to send their recommendations for conditions of approval electronically, CDMS simplifies the procedure for City departments to recommend and for the Department of City Planning to receive recommendations for project conditions of approval.

CDMS does not give the Department of City Planning the ability to require City departments to review project applications and submit recommendations for conditions of approval in a timely manner. CDMS, however, does give the primary planner tools for tracking other City departments' submission of recommendations for conditions of approval. The primary planner can (1) view other City departments' entries for draft conditions of approval into the system, and (2) set up a task list as a reminder of other City departments' dates for submission of recommendations for conditions of approval.

According to the Director of Planning, the Department of City Planning intends to generate monthly CDMS reports tracking City departments' time lines for submitting recommendations for development project conditions. The Department of City Planning and other City departments are discussing time line standards but have not yet agreed to a specific standard. According to the Director of Planning, these monthly reports will be submitted to the Mayor.

CDMS Can Facilitate Creating Conditions But Does Not Ensure Specific or Clearly Written Conditions

The Department of City Planning and other City departments have submitted standard conditions to be entered into CDMS. This enables the primary planner to select conditions from a menu, simplifying condition writing and ensuring more standardized language. As of November 2008, 13 City departments, including the Department of City Planning, had submitted standard conditions to be entered into CDMS, of which 12 had been integrated into the system.

In October 2008, the Department of City Planning set up a working group to evaluate the Department's existing procedures for writing conditions and to develop standardized conditions. The Department of City Planning provided a copy of the standard conditions entered into CDMS to the auditors, totaling 258 pages. While these standard conditions generally contribute to uniform and specific language for writing conditions of approval, they also carry forward the non-specific language contained in the *Standard Conditions Manual* and discussed in Section 1. Further, the Department has not developed department-wide procedures for writing clear and specific recommendations for conditions of approval when decision makers impose conditions on development projects that are not standard CDMS conditions.

Although CDMS Allows Electronic Clearing of Conditions, It Does Not Create Documentation Standards

The Department of City Planning lacks department-wide case file and documentation standards for processing development project applications, clearing conditions on development project plans, and maintaining records, as discussed in Section 3. In the Department of City Planning's proposed FY 2006-07 budget, the Department of City Planning acknowledged the lack of standardized clearing of conditions and proposed CDMS as a more efficient system:

“Clearance of ... conditions are ... currently administered through a manual process. Further complicating the process are various methods employed to collect and record the voluminous mitigation measures.

Even within the confines of a distinct organization, it is not uncommon to discover that from workgroup to workgroup this process is disjointed and non-standard. Some workgroups transmit completed paper clearance forms signed by authorized City staff indicating the conditions cleared in detail; while other workgroups place hand-written check marks next to the condition(s) that is being cleared on a photocopy of the decision letter.

In the Planning Department, condition clearance is done manually on paper by various autonomous units, making the case clearance process difficult to standardize.”

Although clearing conditions electronically in CDMS is more efficient than manually clearing conditions, CDMS implementation does not substitute for case file and documentation standards. The Department of City Planning still needs to develop formal procedures for (1) identifying how the final project site plan addresses the project's conditions of approval and (2) retaining site plan documentation in the Department's formal files.

Finding #17: Implementation of CDMS Creates Multiple City Systems to Track Development Project Conditions of Approval without a Plan to Coordinate Systems

Implementation of CDMS will add a third City department system to track development projects' conditions of approval. Both the Department of Public Works Bureau of Engineering and the Department of Building and Safety have existing systems to electronically monitor development project conditions of approval.

- The Bureau of Engineering's Map Status Tracking System creates a conditions list for parcel and tract maps, tracking the status of conditions for public improvements imposed on projects requiring land subdivision.

- The Department of Building and Safety's Plan Check and Inspection System (PCIS) creates the Clearance Summary Worksheet, which contains a high-level summary of conditions of approval. Other City department staff, including the Department of City Planning, Department of Transportation, and the Bureau of Engineering, can access PCIS electronically to clear conditions prior to issuance of the building permits. PCIS tracks only the summary of conditions rather than specific conditions.
- The Department of Building and Safety's Automated Certificate of Occupancy System (ACOS) tracks clearing of conditions by the Department of Public Works, Fire Department, and Air Quality Management District prior to issuing the Certificate of Occupancy.

Although the Department of City Planning staff can access the Bureau of Engineering's Map Status Tracking System and PCIS to electronically clear entitlement conditions, and other City departments can access CDMS directly to electronically clear conditions specific to their department, CDMS does not have automatic links to other City systems. Nor do these three City department systems have controls in place to ensure that the systems' contain the same information about the status of conditions.

The City's Information Technology Agency has not Played a Role in Developing An Interdepartmental Systems Interface

According to the Information Technology Agency's Mission Statement, the Agency is responsible for ensuring efficient government business through reliable information systems. Although the Information Technology Agency could reasonably play a role in coordinating interdepartmental business systems, the Department of City Planning developed CDMS internally with little Information Technology Agency involvement.

A systems interface with the Department of Building and Safety and Bureau of Engineering is included in the Department of City Planning's informal CDMS implementation schedule, although according to the Director of Planning, the Bureau of Engineering's Map Status Tracking System will be replaced by CDMS. At this time, the City departments with an ongoing stake in developing interfaced systems - Information Technology Agency, Department of City Planning, and the Department of Building and Safety - do not have a plan in place or the requisite funding to develop a systems interface.

Although CDMS Was Expected to Be Implemented in April 2008, Full Implementation Occurred in January 2009

Department of City Planning staff had not begun to actively use CDMS during the course of this audit. In their February 28, 2008 report to the City Council, the Department of City Planning stated that CDMS would be implemented in April 2008. At the same time, the City Council appropriated \$18,000 for the Department of City Planning to assess the costs of entering case information for completed development projects into CDMS.

Department of City Planning staff began creating conditions for three types of cases in September 2008 and other City departments were oriented to entering case data for these three types of cases in October 2008. The Department of City Planning and other City departments were able to create conditions in CDMS for all development projects by the end of January 2009. The Department of City Planning is creating new cases in CDMS that were assigned to planner staff after September 29, 2008, but does not plan to include prior case information at this time.

Table 5.2

CDMS Implementation Schedule

	Start Date	End Date
Department of City Planning staff to begin creating development project conditions of approval in CDMS	11/17/2008	12/19/2008
Other City departments to submit recommendations for development project conditions of approval electronically in CDMS	12/22/2008	1/23/2009

Source: Department of City Planning, Information Technology Division.

CDMS Has the Capability to Generate Determination Letters but the Department of City Planning Does Not Currently Plan to Generate Determination Letters Electronically

The Mayor's July 2008 letter to City departments directed the 12 to 2 Committee to decrease the time to complete and issue determination letters. Currently, the decision maker writes the determination letter on his or her personal computer, cutting and pasting standard conditions from other sources and writing new or specific conditions as necessary. The Department does not have a standard format for writing determination letters. Although CDMS has the capability to generate determination letters, the Department of City Planning does not have a plan or funding to implement this capability at this time.

Conclusion

The full implementation of CDMS in January 2009, in which the Department of City Planning and other City departments will be able to electronically create and clear development project conditions of approval for all types of development projects, will create more efficient procedures but not address the City's inadequate processes. The Department of City Planning has not yet developed department-wide policies and procedures for several of its core procedures. Nor has the Department of City Planning developed a plan or identified funding to interface CDMS with the Department of Building and Safety's and Bureau of Engineering's systems. The Information

Technology Agency has played no role in ensuring that these three City systems are linked efficiently.

Recommendations

The Director of Planning should:

- 5.1 Develop and implement written department-wide procedures for distributing development project applications to other City departments.
- 5.2 Develop monthly reports no later than June 30, 2009 for submission to the Mayor and City Council:
 - a. Identifying standards for City departments' timely submission of recommendations for conditions of approval; and
 - b. Tracking City departments' compliance with these standards.
- 5.3 Review the Department of City Planning's standard conditions entered into CDMS and revise or delete non-specific or unclear conditions.
- 5.4 Develop and implement written department-wide procedures for writing specific and clear conditions (see Recommendation 1.2).
- 5.5 Develop and implement written department-wide procedures for:
 - a. Documenting how the final development project site plan addresses the project's conditions of approval (see Recommendation 3.1); and
 - b. Retaining site plan documentation in the Department's formal files (see Recommendation 3.2).
- 5.6 Develop a long-term implementation plan for CDMS that:
 - a. Includes the Information Technology Agency in the planning and coordination of CDMS with the Department of Building and Safety's and Bureau of Engineering's systems;
 - b. Identifies the costs and timelines for coordinating systems among the Department of City Planning, the Department of Building and Safety, and the Bureau of Engineering;
 - c. Identifies the costs and timelines for implementing CDMS capabilities to generate determination letters; and
 - d. Identifies the costs and timelines for entering case data for completed projects into CDMS.

Costs and Benefits

The Department of City Planning will have to allocate existing staff time to implement these recommendations. The Department of City Planning will incur future additional costs for CDMS coordination with the Department of Building and Safety and the Bureau of Engineering, as well as for implementing CDMS capabilities to generate determination letters and entering case data for completed projects. Such costs will be subject to appropriation by the City Council.

These existing or additional costs will be offset in part by more efficient CDMS implementation. City policy makers, City staff, and the public should receive benefits from more timely case processing and better developed project conditions.

6. Costs of Maintaining Public Improvements

- **City departments do not consistently track, plan or budget for maintenance of public improvements installed as a result of conditions of approval for development projects. Although project applicants pay the costs of installing public improvements, only some departments track and recover maintenance costs for these improvements. Other departments do not track these costs separately or recover ongoing costs. No departments systematically track public improvements imposed as development project conditions of approval as part of their fiscal planning process.**
- **Some City departments do not collect sufficient revenues to cover the costs of maintaining public improvements, particularly those imposed as conditions of approval for development. Specifically, the Urban Forestry Division of the Bureau of Street Services Street Tree Maintenance, Inspection and Clerical fees, the Bureau of Street Lighting Street Lighting Maintenance Assessment, and the Bureau of Sanitation Stormwater Pollution Abatement Charge revenues are not sufficient to recover the costs of maintaining public improvements.**

Well-run government agencies anticipate, plan and budget for changes in service costs by forecasting and tracking changes in conditions that affect their workload such as newly approved development projects. The Government Finance Officers Association recommends that public charges and fees be reviewed and updated periodically based on factors such as the impact of inflation, other cost increases, the adequacy of the coverage of costs, and current competitive rates.¹ City budget instructions direct departments to complete and submit an annual review of fees for services with their proposed budget.

Finding #18: City Departments Do Not Consistently Track and Budget for Public Improvements Imposed as Conditions of Approval for Development Projects

City departments do not consistently plan and budget for the maintenance of public improvements imposed as conditions of approval for development projects. City departments budget these costs in various ways including absorption into departmental budgets, one-time fee assessments, and periodic maintenance or usage fees. Although the City has no mechanism in place to actively track public improvement costs that result from conditionally approved development projects, department directors are instructed by the City Administrative Officer to submit an annual analysis of fee(s) for services that estimates the amount of cost recovery. These analyses appear to be of limited analytical value to City policy makers.

¹ Government Finance Officers Association, Setting of Government Charges and Fees. Available online at: <http://www.gfoa.org/downloads/budgetSettingofGovernmentChargesandFees.pdf>

Some Departments Do Not Track or Recover Costs

The Department of Transportation does not systematically track or budget for its additional maintenance costs resulting from private development such as for traffic signals, geometric design improvements, and additions to the Automated Traffic Surveillance and Control network (ATSAC). Developers fully pay for the costs of design, construction, and activation of transportation improvements (other than for ATSAC²) resulting from development project conditions of approval. However, developers do not pay for the ongoing maintenance of such improvements.

Department of Transportation representatives have indicated that the maintenance costs for these improvements are nominal relative to the amount spent overall on maintaining the City's transportation infrastructure. For instance, there are approximately 4,400 traffic signals in the City with seven new signals installed in FY 2007-08 (or approximately 0.16 percent of the total). Since the Department of Transportation does not track improvements resulting from conditions of approval, the City has no way to know what proportion of the new signals resulted from development project approvals. Assuming that 100 percent of the new signals resulted from development project approvals, the additional maintenance costs added per year could be as much as \$11,726.³ However, given that less than 100 percent of new traffic signals are installed by developers and that new signals tend to require less maintenance, it is likely that maintenance costs of such signals are significantly lower.

Similarly, the Bureau of Street Services does not track or budget its additional street maintenance costs due to private development. Representatives from the Bureau of Street Services assert, however, that the additional maintenance costs associated with these public improvements is minimal and therefore not cost-effective to track. One representative asserted that newly paved streets would not require any substantive maintenance work for at least five to seven years.

Planning and Tracking Varies Among Departments that Recover Costs

The Bureau of Street Lighting, the Urban Forestry Division of the Bureau of Street Services and the Bureau of Sanitation collect either one-time or ongoing revenues intended to recover public improvement maintenance costs resulting from conditions of approval imposed on development projects. However, these departments do not consistently review such costs or incorporate these costs into the budgetary planning process.

All City departments that charge special service fees⁴ are instructed by the City Administrative Officer to submit an analysis of fees for services with their proposed budget. Departments are

² To mitigate significant impacts on traffic, developers may contribute to the costs of expanding the ATSAC system. The contributions from developers generally range from about 5.5% to 8.3% of initial costs per project with the bulk of funding coming from the State or County. All maintenance costs are covered by the City's general fund.

³ LADOT had estimated expenditures of \$7,329,000 on signal supplies and repairs in 2007-08. 0.16 percent of this amount is \$11,726.40.

⁴ A special service fee is generally defined as any service provided to an identifiable segment of the population or to one of the independent City departments (Harbor, Airports, and Water and Power).

instructed that the analysis should consist of CAO 638-A and CAO 638-B forms, other working papers, and a calculation of division overhead rates. This annual review presents the status of cost recovery efforts for the previous and current fiscal years in order to inform budget decisions for the next fiscal year.

The annual review of fees for services does not always reflect the true proportion of costs recovered. The Urban Forestry Division submitted the annual review of fees for services for FY 2008-09, but the analysis did not accurately present the Division's true proportion of costs recovered for street tree maintenance. The projected fee revenue used in the analysis was based on an anticipated fee increase that was not in place the preceding fiscal year (2006-07) and never came to pass in the two fiscal years projected in the analysis. Further, these annual reviews do not include assessment funds such as the Street Light Maintenance Assessment Fund.

Finding #19 Some City Departments do not Collect Sufficient Revenues to Fully Recover Costs Associated with Public Improvements

The Urban Forestry Division, the Bureau of Street Lighting and the Bureau of Sanitation maintenance revenues are not sufficient to recover the costs of maintaining public improvements, regardless of whether they are due to private development. Fees and assessments do not fully recover costs associated with maintaining public improvements primarily due to the extended length of time between increases. The inability of City agencies to recover costs associated with increased infrastructure will require more revenue and/or restructuring to cut costs.

The Street Light Maintenance Assessment is steadily losing its capacity to recover costs associated with maintaining street lights.⁵ The Street Lighting Assessment Fund ending balance has decreased from approximately \$17.1 million in FY 2006-07 to \$16.4 million in FY 2007-08 to a projected balance of \$11.1 million by the end of FY 2008-09, representing a 35 percent decrease in fund balance over three years. Because only street light fees initially assessed after July 1, 1997, or less than two percent of all such fees, are subject to annual adjustments based on the U.S. Department of Labor's Consumer Price Index, the majority of street lighting fee assessments do not keep pace with rising costs associated with inflation and fluctuating energy costs. The fees initiated prior to July 1, 1997 cannot be increased or indexed to inflation without a majority vote within street light assessment districts, or a two-thirds vote of City residents per Proposition 218 requirements.

The Street Tree Maintenance, Inspection and Clerical fees, administered by the Urban Forestry Division, also do not fully recover ongoing costs of public improvements installed due to private development. The Division's estimate of the annual cost of street tree maintenance in FY 2007-08 is approximately \$302,000. However, the estimated revenues collected in 2007-08 were

⁵ If the Department of City Planning and/or the Bureau of Street Lighting determine that installation of street lights are necessary for a development, the owner must make a good faith effort via a ballot process for the formation or annexation of the property within the boundary of the development into a Street Lighting Assessment District. Property owners within the district are assessed fees to cover the costs of operating and maintaining such street lights.

\$229,000, leaving a \$73,000 or 24 percent gap in cost recovery. Although the fee has not been updated in over ten years, the Division has proposed an increase in the maintenance fee from \$382 to \$504 to the Board of Public Works for approval to close the gap.

The Bureau of Street Services revised its policy regarding the method in which the Urban Forestry Division discretionary project street tree planting requirement is cleared. In September 2008 the Board of Public Works revised the policy from collecting fees from developers for the installation of street trees and having the Urban Forestry Division contract the installations. The new policy will terminate the collection of fees for the purpose of installing street trees and will make developers responsible for the installations. Developers will continue to be assessed inspection, clerical and maintenance fees to cover the Bureau's associated costs.

The Storm Water Pollution Abatement Charge, administered by the Bureau of Sanitation, is also steadily losing its capacity to recover costs associated with maintaining public improvements.⁶ The fee collects approximately \$30 million annually from property owners to maintain storm drains and treat and abate storm water, but it is not enough to cover the associated costs. According to the adopted 2008-09 budget, the Storm Water Pollution Abatement Fund ending balance has decreased from approximately \$7.7 million in FY 2006-07 to approximately \$3.0 million in FY 2007-08 to a projected zero balance by the end of FY 2008-09. According to staff at the Bureau of Sanitation, compliance, system and facilities, and operations and maintenance costs have risen while fee assessments have remained stagnant since 1993. In order to raise the assessment fee the City would have to follow Proposition 218 requirements to garner either a majority of property owners or two-thirds of a Citywide vote.⁷

Conclusions

City departments do not consistently track, plan or budget for public improvements installed as a result of conditions of approval imposed by City Planning decision makers for development projects. Although project applicants pay the costs of installing public improvements, only some departments track and recover maintenance costs for these improvements. Other departments do not track these costs separately or recover ongoing costs. No departments systematically track requirements for new development projects imposed by City Planning decision makers as part of their fiscal planning process.

Some City departments do not collect sufficient fee revenues to cover the costs of maintaining public improvements imposed as conditions of approval for development projects. Specifically, the Urban Forestry Division of the Bureau of Street Services, the Bureau of Street Lighting, and in the Bureau of Sanitation maintenance fee revenues are not sufficient to recover the costs of maintaining public improvements.

⁶ According to the Bureau of Sanitation, other fees administered by the Bureau of Sanitation recover costs, but these fees were not reviewed by auditors.

⁷ California Constitution Article 13D, Section 6(c)

Recommendations

The Mayor should:

- 6.1 Direct the City Administrative Officer to require department and bureau directors to evaluate all public improvement maintenance revenues annually to ensure coverage of maintenance costs.
- 6.2 Direct the City Administrative Officer to develop a fee structure that includes maintenance fees for all public improvements resulting from development project conditions of approval.

The City Council should:

- 6.3 Take actions to ensure that special services are fully covered by related fees, including a requirement for all fees for special services to be updated on a periodic basis based on the U.S. Department of Labor Consumer Price Index.
- 6.4 Determine the feasibility of increasing assessments in accordance with the requirements of Proposition 218, to ensure that all assessments are updated on a periodic basis based on the U.S. Department of Labor Consumer Price Index.

Costs and Benefits

The costs to departments associated with the recommendations would be minimal given that department and bureau heads are already required to submit annual reviews of fees for services. Adjusting the collection of fees will, in many cases, require a public vote and therefore could require a considerable sum.

Table 1: Questions 1-3

	1	2	3
Question	How many planners are currently employed for project approval?	How many total FTE does your Department have?	How many approved development applications received in FY 2007-08?
Henderson, NV	NA ¹	NA	NA
New York City	18	275	380
Phoenix	27 FT, 11 PT	NA	Rezone: 132 ZA: 891 B. permits: ~41k
Tacoma, WA (Pierce County)	17	166.7	1,123
San Diego	60	NA	300
San Francisco	~160	~180	NA
San Jose	NA	55+ support staff	~500
Tallahassee, FL	15	78	NA
Vancouver, BC	3	NA	~600
Summary	N/A ²	N/A	N/A

¹ NA= No Answer Given or Answer Unintelligible

² N/A= Not Applicable or Concise Summary Not Possible

Table 2: Questions 4-6

	4	5	6
Question	How does planning determine which agencies & departments should review project application?	Procedures to ensure like projects are reviewed by same departments?	Every condition of approval have associated department responsible for sign-off/enforcement?
Henderson, NV	Routine List	Yes	Yes
New York City	Other	Yes	No
Phoenix	Routine List	Yes	No
Tacoma, WA (Pierce County)	Other: Routine List & Staff Planner Determination	Yes	Yes
San Diego	Routine List	Yes	Yes
San Francisco	Staff Planner Determination	No	No
San Jose	Other	No	Yes
Tallahassee, FL	Routine List	Yes	Yes
Vancouver, BC	Staff Planner Determination	Yes	Yes
Summary	4: Routine 2: Planner determines 3: other	7: Yes 2: No	6: Yes 3: No

Table 3: Questions 7-9

	7	8	9
Question	How departments notified of project applications they should review?	How are development project files and plans circulated?	Is the review process by external departments/agencies simultaneous or sequential?
Henderson, NV	Electronic & Hard Copy	Hard Copy	Simultaneous
New York City	Hard Copy	Hard Copy	Simultaneous
Phoenix	Electronic	Electronic & Hard Copy	Simultaneous
Tacoma, WA (Pierce County)	Electronic & Hard Copy	Hard Copy	Simultaneous
San Diego	Electronic & Hard Copy	Hard Copy	Simultaneous
San Francisco	Hard Copy	Hard Copy	Simultaneous
San Jose	Other	Hard Copy	Simultaneous
Tallahassee, FL	Electronic	Electronic	Simultaneous
Vancouver, BC	Hard Copy	Hard Copy	Simultaneous
Summary	3: Hard Copy 2: Electronic 3: Both 1: Other	7: Hard Copy 1: Electronic 1: Both	9: Simultaneous

Table 4: Questions 10-11*

	10	11	11*
Question	How do external agencies & depts submit conditions for project applications to planning?	Are there set timelines for external depts to review & submit proposed conditions?	If yes, how are these timelines enforced?
Henderson, NV	Other	Yes	DSC Manager prints a daily on-time report for all DSC submittals
New York City	Hard Copy	Yes	By statute
Phoenix	Electronic	Yes	NA
Tacoma, WA (Pierce County)	Electronic & Hard Copy	Yes	By Code, General Provisions, Title 18.60 Review Process
San Diego	Electronic	Yes	Performance Standards
San Francisco	Hard Copy	No	N/A
San Jose	Electronic & Hard Copy	Yes	Deadlines given with original referrals. Project Mgrs request critical info. before initial comment letter sent to applicant
Tallahassee, FL	Electronic	Yes	Reports outlining each dept's conditions is due 10 days prior to Development Review Committee meetings and at the meeting for Type A site plan meetings.
Vancouver, BC	Electronic	Yes	A target date is set for an opinion/comments
Summary	2: Hard Copy 4: Electronic 2: Both 1: Other	8: Yes 1: No	N/A

Table 5: Questions 12-14

	12	13	14
Question	Do applicants ever receive contradictory conditions from two or more departments?	If yes, how are these contradictions resolved?	Are open-ended conditions ever included in initial approvals as a placeholder?
Henderson, NV	No	N/A	NA
New York City	Yes	Other: Negotiation	Yes
Phoenix	NA	Planner is Responsible	Yes
Tacoma, WA (Pierce County)	Yes	Planner is Responsible	Yes
San Diego	Yes	Planner is Responsible	No
San Francisco	Yes	Other: Code Enforcement	No
San Jose	Yes	Planner is Responsible	Yes
Tallahassee, FL	Yes	Planner is Responsible	Yes
Vancouver, BC	Yes	Planner is Responsible	Yes
Summary	7: Yes 1: No 1: NA	6: Planner 2: Other 1: N/A	6: Yes 2: No 1: NA

Table 6: Questions 15-15B

	15	15A	15B
Question	What is the process for clearance and sign-off of planning conditions:	Before Building Permit is issued?	During Building Permit approval phase?
Henderson, NV	N/A	Before a building permit is submitted for - developer submits a Design Review application to Community Development. This entitlement process includes a collective real time review of the submittal by all development related departments, where comments and conditions are made on the application. Immediately following the staff review, applicants have the opportunity to meet with the group to clarify conditions placed prior to submittal to Planning Commission and/or City Council.	Only upon approval of necessary entitlements can the developer submit for a building permit. Each team with a condition placed on the application must sign off during the review phase to confirm the design meets their conditions of approval. Building permit will not be issued until all plan review teams have signed off on the clearance checklist.
New York City	N/A	CPC sends materials describing conditions of approval by mail to Buildings Dept.	Buildings Department has an electronic system into which some conditions, but not all, are data-entered for sign-off
Phoenix	N/A	Electronic preliminary site plan approval	Electronic final site plan approval
Tacoma, WA (Pierce County)	N/A	NA	NA
San Diego	N/A	Hooked depending on type of condition through electronic system	NA
San Francisco	N/A	NA	NA
San Jose	N/A	Planners confirm that Building plans match those approved in Planning. Public Works Department Clearance is pursued. Environmental Mitigation measures are implemented, confirmed by applicable groups. Park fees are paid.	Fire and Building confirm conformance with code. Planners confirm that Building plans match those approved in Planning (plan review only, no field inspections). Public Works Development Clearance is pursued. Environmental Mitigation measures are implemented, confirmed by applicable groups.
Tallahassee, FL	N/A	Yes unless simultaneous review is requested.	NA
Vancouver, BC	N/A	Electronic clearance by departments before building permit is issued	All contained within development services; some discussion/interaction with project coordinators
Summary	N/A	N/A	N/A

Table 7: Questions 15C-16

	15	15C	16
Question	What is the process for clearance and sign-off of planning conditions:	During Certificate of Occupancy/Completion Approval Phase?	Does Planning have an ongoing responsibility to ensure that Planning conditions are met during the construction phase?
Henderson, NV	N/A	Process works the same as permit issuance. COFO process must be signed by all departments prior to issuance - we use a checklist tied to the conditions of approval.	Yes
New York City	N/A	Buildings Department has an electronic system into which some conditions, but not all, are data-entered for sign-off	No
Phoenix	N/A	Site and building inspection sign off	Yes
Tacoma, WA (Pierce County)	N/A	NA	No
San Diego	N/A	NA	Yes
San Francisco	N/A	NA	No
San Jose	N/A	Environmental Mitigation measures are implemented, confirmed by applicable groups. Public Works Development Clearance is obtained.	No
Tallahassee, FL	N/A	NA	Yes
Vancouver, BC	N/A	Then shifts to licensing and inspection staff; monitor on-site work and issue COO; another branch that looks backwards to ensure that planning conditions are met; conditions for each permit are attached to the plans	Yes
Summary	N/A	N/A	5: Yes 4: No

Table 8: Questions 17-19

	17	18	19
Question	Does Planning have a responsibility to ensure Planning conditions are met prior to the completion of the project and issuance of the Certificate of Occupancy?	What procedures are in place to ensure that ongoing conditions are met after construction is complete & cert. of occupancy is awarded?	Which department(s) is responsible for giving final approval when a development project is completed?
Henderson, NV	Yes	No Procedures	Building
New York City	No	No Procedures	Building
Phoenix	Yes	Other: Complaint Driven	Building & Development Services
Tacoma, WA (Pierce County)	Yes	Other	Building
San Diego	Yes	Code Enforcement Unit Monitors	Other: Development Services
San Francisco	NA	No Procedures	Building
San Jose	Yes	Other	Building
Tallahassee, FL	Yes	Code Enforcement Unit Monitors	Building
Vancouver, BC	Yes	Other	Other: Development Services
Summary	7: Yes 1: No 1: NA	3: No Procedures 4: Other 2: Code Enforcement	6: Building 1: Building & Devp. Serv. 2: Devp. Serv.

Table 9: Questions 20-22

	20	21	22
Question	How are ongoing conditions monitored?	Is there a City employee assigned to liaison between neighborhood groups and Planning?	Are developers required to report major changes in design of development, which occur after a project has been approved by Planning, to neighborhood groups?
Henderson, NV	Code Enforcement (Complaint Driven)	Yes, among other tasks	Yes
New York City	Complaint Driven	Yes, among other tasks	No
Phoenix	Code Enforcement (Complaint Driven)	Yes, among other tasks	Yes (only if listed in conditions)
Tacoma, WA (Pierce County)	Complaint Driven	Yes, among other tasks	Yes
San Diego	Code Enforcement (Complaint Driven)	No employees assigned to this responsibility	Yes
San Francisco	Decentralized by Departments	No employees assigned to this responsibility	Yes
San Jose	Code Enforcement (Complaint Driven)	Yes, full-time	Yes
Tallahassee, FL	Code Enforcement Unit	Yes, full-time	Yes
Vancouver, BC	Time-limited permits; Complaint Driven	Yes, among other tasks	No
Summary	4: Code Enforcement/ Complaint 2: Complaint Driven 1: Code Enforcement 1: Decentralized	5: Yes among other tasks 2: Yes, full-time 2: No	6: Yes 2: No 1: Yes with caveats.

Table 10: Questions 23-25

	23	24	25
Question	Do neighborhood groups have any legal recourse against developers who do not follow approved design aspects that have been negotiated with such groups?	Are there any formal written policies or procedures that Planning employees follow when writing conditions?	Are there any formal written policies or procedures that City Planning employees follow when clearing conditions?
Henderson, NV	NA	No	Yes
New York City	NA	No	No
Phoenix	NA	Yes	No
Tacoma, WA (Pierce County)	No	No	No
San Diego	No	Yes	No
San Francisco	Yes	No	No
San Jose	No	No	No
Tallahassee, FL	Yes	No	No
Vancouver, BC	No	Yes	Yes
Summary	2: Yes 4: No 3: NA	3: Yes 6: No	2: Yes 7: No

Table 11: Questions 26-27

	26	26A	27
Question	Are there any controls in place to ensure that imposed conditions are lifted only when those conditions are met?	If yes, please explain.	Are there any controls in place to ensure that operational conditions are monitored and enforced?
Henderson, NV	Yes	Tied to our clearance checklist- created within our modified KIVA	No
New York City	Yes	Environmental Requirements are only conditions that are lifted pursuant to regulatory protocol and the process is a combination of paper & electronic.	No
Phoenix	NA	Conditions of preliminary site plan approval required for final site plan approval.	No
Tacoma, WA (Pierce County)	Yes	Case Planner reviews building permits for compliance with land use case.	No
San Diego	No	N/A	No
San Francisco	No	N/A	No
San Jose	Yes	Triggers are included, so that specified steps in a process cannot be obtained prior to completion of the condition.	NA
Tallahassee, FL	Yes	Permit tracking system allows reviewers to place “locks, holds, and notices” on permits to ensure that conditions are met	Yes
Vancouver, BC	Yes	NA	Yes
Summary	6: Yes 3: No	N/A	2: Yes 6: No 1: NA

Table 12: Questions 27A-29

	27A	28	29
Question	If yes, please explain.	Do you know of any audits conducted in your City relating to the imposition, clearance, monitoring, or enforcement of conditions for development?	Has your city taken any steps to increase the efficiency of processing development applications?
Henderson, NV	N/A	No	Yes
New York City	N/A	No	Yes
Phoenix	Code Enforcement is conducted in response to complaints filed	No	Yes
Tacoma, WA (Pierce County)	N/A	No	Yes
San Diego	N/A	No	Yes
San Francisco	N/A	No	No
San Jose	Code Enforcement inspects Downtown bars/nightclubs and does an inspection of multi-family (rental) housing units on a 3 or 6 year cycle. Other enforcement is complaint driven.	No	Yes
Tallahassee, FL	Code enforcement, inspectors in field, etc.	No	Yes
Vancouver, BC	Followed up with subsequent reviews	Yes	Yes
Summary	N/A	8: No 1: Yes	8: Yes 1: No

Table 13: Question 29A

	29A
Question	If yes, please explain.
Henderson, NV	Service Guarantee Program
New York City	Allow public to view status via website. Training for applicants so applications are complete/ accurate & be processed quicker. Train staff to increase efficiency.
Phoenix	Joint pre-app/preliminary site plan review. 3rd party building plan review. Expedited plan review. (3x's plan review fees)
Tacoma, WA (Pierce County)	Working on condensing/simplifying development regulations to ensure consistency with implementation/interpretation. Current Planning has policy manual that documents policy decisions, and is in the process of creating a Standard of Operations manual.
San Diego	NA
San Francisco	N/A
San Jose	*See Answer to the right*
Tallahassee, FL	Reports, expedited reviews, simultaneous reviews, etc.
Vancouver, BC	Some new positions aimed at facilitating major projects- single point of contact; single liaison for community groups
Summary	N/A

San Jose Answer to 29A
<p>We have established timelines for various projects based on type, complexity, and environmental clearance method. Project Mangers talk with applicants within 3 days of project submittal and offer a meeting for the project proponent to explain their project within 14 calendar days of submittal, both of which add to an early understanding of the applicant's perspective. We have templates for some of the documents we use. For others, we have merge documents that pull information from our permit tracking system and insert it into appropriate places in a MS Word document. We have some written procedures that help guide Project Managers. For example, we have written instructions that outline the various steps needed in an EIR process. We have various Design Guidelines, strong Neighborhood Initiative Plans, and Specific Plans that provide detailed information beyond that specified in the General Plan/Zoning that provide developers with certainty and Planners with a benchmark for evaluating projects. Under development is a Guide for Project Managers that covers best practices for PMs to sue for a project throughout its life cycle.</p>

Table 14: Questions 30-30A

	30	30A
Question	Does your jurisdiction have a mechanism in place to budget for the costs associated with implementation of conditions of approval that create ongoing maintenance costs (e.g., project approval requires public landscaping improvements and this generates ongoing maintenance costs for your jurisdiction).	If yes, please explain.
Henderson, NV	No	N/A
New York City	No	N/A
Phoenix	No	N/A
Tacoma, WA (Pierce County)	No	N/A
San Diego	Yes	Department has been undergoing engineering since early 1990s; looking for best practices; recently had a "business process reengineering" review.
San Francisco	No	N/A
San Jose	Yes	We have fees for environmental mitigation monitoring and reporting, which in some cases involves maintenance of project elements by the private developers. We don't require private developers to maintain public parks, but we do have assessment districts that help fund public improvements such as infrastructure expansion. Our Public Works Dept. charges a one-time fee to cover inspections (by our Environmental Services Dept.) of some stormwater control devices but the fee is not currently adequate to fund lifetime inspections of the devices.
Tallahassee, FL	No	N/A
Vancouver, BC	No	N/A
Summary	N/A	N/A

Table 15: Additional Comments

	Additional Comments?
Henderson, NV	Our organizational structure provides for separation between the entitlement process and the permit process. Entitlement staff work directly for the Community Development Department. Permitting staff come from City Clerk's Office, Building & Fire Safety, Public Works, Utility Services, and the DSC Manager's Office. Attached is a link to our CABR - under the performance budget section are detailed descriptions and related staffing numbers.
New York City	Planning Department and Building Department are separate agencies. Most development in NYC is "as of right" and does not require approval by Planning Department. Buildings Department is responsible for all construction permit issuance and for enforcement of all zoning requirements.
San Jose	Written policies for writing conditions are being developed as part of the Project Management guide referenced earlier.
Tallahassee	It is important to note that I work for the Growth Management Department—not the Planning Department. Growth Management handles site plans, environmental permits, concurrency, and building permits. All of my answers to the questions above about “planning” were answered from the perspective of Growth Management. In other words, I answered as if I were substituting Growth Management for planning.

Ranking of Recommendations

Section Number	Summary Description of Findings	Ranking Code	Recommendations
1. Imposing Entitlement Conditions	<p>Finding #1: Outdated community plans contribute to discretion in approving development projects.</p> <p>Finding #2: Decision makers impose conditions of approval that are unclear and not specific.</p>	N	<p>The Director of Planning should:</p> <p>1.1 In consultation with the City Planning Commission, develop internal policies that clarify the Department’s roles, responsibilities and authority for recommending development project conditions not addressed by the Planning and Zoning Code or specific plans, and submit these policies to the Mayor for approval.</p>
		N	<p>1.2 Recommend to the City Council new or updated Planning and Zoning Code provisions when the Planning and Zoning Code fail to address current zoning or development needs</p>
		N	<p>1.3 Develop and implement formal written quantitative standards for recommending conditions covering common development issues that are not addressed by the Planning and Zoning Code or specific plans.</p>
		N	<p>1.4 Develop guidelines for development project site plan review and sign-off for development project conditions that are by definition qualitative and non-specific, such as design review.</p>

Section Number	Summary Description of Findings	Ranking Code	Recommendations
<p>2. Imposing Conditions for Public Improvements</p>	<p>Finding #3: The Department of City Planning has inadequate procedures to distribute project applications.</p>	<p>N</p>	<p>The Mayor should:</p> <p>2.1 Direct the 12 to 2 Committee, in conjunction with the Director of Planning, to define the role of the Department of City Planning in managing the development process including consideration of the costs and benefits of delegating authority to the Department over all departments in terms of their roles in the development project approval process(see Recommendation 4.1).</p>
	<p>Finding #4: The Department of City Planning does not actively manage application review by other City departments.</p>		<p>The Director of Planning, in conjunction with the 12 to 2 Committee, should:</p>
	<p>Finding #5: The decision maker includes non-specific or place holder conditions for public improvements in the determination letter when other City departments fail to provide recommendations.</p>	<p>N</p>	<p>2.2 Establish procedures to ensure timely submission of specific recommendations for conditions of approval to the Department of City Planning (see Recommendations 4.5 (a) and 5.2).</p>
	<p>Finding #6: The decision maker can impose non-specific, unclear, and non-uniform conditions for public improvements.</p>	<p>N</p>	<p>2.3 Evaluate City departments' standard conditions to ensure specific, non-redundant, and clearly numbered conditions of approval in the determination letter.</p>
<p>Finding #7: Neither the 12 to 2 Committee nor the implementation of CDMS address timely, clearly-written, or specific conditions of approval.</p>	<p>N</p>	<p>2.4 Develop procedures for uniform application of conditions of approval to comparable development projects nation.</p>	

Section Number	Summary Description of Findings	Ranking Code	Recommendations
<p>3. Ensuring that Conditions of Approval are Met Before the Building Permit is Issued</p>	<p>Finding #8: The Department of City Planning lacks standard review and documentation procedures.</p>	<p>N</p>	<p>The Director of Planning should:</p> <p>3.1 Develop and implement formal written department-wide documentation standards for clearing conditions on final project site plans, including a system to identify how the site plan conforms to the specific conditions of approval (see Recommendation 5.5).</p>
	<p>Finding #9: The Department of City Planning and Department of Building and Safety lack coordinated project plan review.</p>	<p>N</p>	<p>3.2 Develop and implement a formal written department-wide document retention policy.</p>
		<p>N</p>	<p>3.3 In conjunction with the General Manager of the Department of Building and Safety, develop formal written guidelines and control procedures to ensure that the Department of City Planning (1) is notified of all project modifications that materially change the project and (2) reviews all material project modifications made by the Department of Building and Safety.</p>

Section Number	Summary Description of Findings	Ranking Code	Recommendations
<p>4. Monitoring Project Construction and Completion</p>	<p>Finding #10: The Department of City Planning lacks monitoring of landscaping or architectural conditions.</p> <p>Finding #11: The City has no interdepartmental process to resolve disputes.</p> <p>Finding #12: Non-specific conditions of approval are not consistently implemented in the completed project.</p> <p>Finding #13: The Department of City Planning lacks oversight of construction project interim change authorizations.</p> <p>Finding #14: The Department of Public Works did not enforce completion of public improvements prior to the temporary Certificate of Occupancy.</p> <p>Finding #15: The Department of City Planning lacks enforcement resources.</p>	<p>N</p> <p>N</p> <p>N</p>	<p>The Mayor should:</p> <p>4.1 Define the role of the Department of City Planning as the project manager for development projects.</p> <p>4.2 Direct the 12 to 2 Committee to define the responsibility of the Department of City Planning, Department of Public Works, and Department of Building and Safety for resolving disputes.</p> <p>The Director of Planning should:</p> <p>4.3 In conjunction with the General Manager of the Department of Building and Safety, City Engineer, and Director of the Bureau of Contract Administration, develop procedures and control processes to ensure notification of the Department of City Planning for project changes during construction.</p>

Section Number	Summary Description of Findings	Ranking Code	Recommendations
<p>4. Monitoring Project Construction and Completion (continued)</p>		<p>N</p>	<p>The Director of Planning should:</p> <p>4.4 Evaluate potential expansion of the Department’s enforcement function and present a report to the City Council prior to the FY 2010-11 budget review that includes: (a) a definition of the Department of City Planning’s enforcement function and its relationship to the Department of Building and Safety and Department of Transportation’s enforcement functions; (b) costs of additional staff resources necessary to expand the Department’s enforcement function; (c) potential fee- or fine-based revenues to pay the costs of additional staff resources; and (d) expected benefits of the expanded enforcement function.</p> <p>The City Engineer should:</p> <p>4.5 In conjunction with the Directors of the Bureau of Street Services, Sanitation, and Street Lighting, establish procedures to ensure: (a) timely submission of specific recommendations for conditions of approval to the Department of City Planning (see Recommendation 2.2 and 5.2); and (b) completion of all conditions of approval during project construction and prior to the Certificate of Occupancy.</p>

Section Number	Summary Description of Findings	Ranking Code	Recommendations
4. Monitoring Project Construction and Completion (continued)		N	<p>The City Engineer should:</p> <p>4.6 In conjunction with the Director of Planning and the General Manager for the Department of Building and Safety, establish procedures to ensure: (a) notification of the Department of City Planning for material project changes (see Recommendation 4.3); and (b) Department of City Planning review of the final project for compliance with entitlement conditions prior to the Certificate of Occupancy</p>
5. CDMS Implementation	<p>Finding #16: CDMS can improve inefficient procedures but cannot fix inadequate City processes.</p> <p>Finding #17: Implementation of CDMS creates multiple City systems to track development project conditions of approval without a plan to coordinate systems.</p>	<p>N</p> <p>N</p> <p>N</p> <p>N</p>	<p>The Director of Planning should:</p> <p>5.1 Develop and implement written department-wide procedures for distributing development project applications to other City departments.</p> <p>5.2 Develop monthly reports no later than June 30, 2009 for submission to the Mayor and City Council: (a) identifying standards for City departments' timely submission of recommendations for conditions of approval; and (b) tracking City departments' compliance with these standards.</p> <p>5.3 Review the Department of City Planning's standard conditions entered into CDMS and revise or delete non-specific or unclear conditions.</p> <p>5.4 Develop and implement written department-wide procedures for writing specific and clear conditions (see Recommendation 1.2).</p>

Section Number	Summary Description of Findings	Ranking Code	Recommendations
<p>5. CDMS Implementation (continued)</p>		<p>N</p>	<p>The Director of Planning should:</p> <p>5.5 Develop and implement written department-wide procedures for: (a) documenting how the final development project site plan addresses the project's conditions of approval (see Recommendation 3.1); and (b) retaining site plan documentation in the Department's formal files (see Recommendation 3.2).</p>
		<p>N</p>	<p>5.6 Develop a long-term implementation plan for CDMS that: (a) includes the Information Technology Agency in the planning and coordination of CDMS with the Department of Building and Safety's and Bureau of Engineering's systems; (b) identifies the costs and timelines for coordinating systems among the Department of City Planning, the Department of Building and Safety, and the Bureau of Engineering; (c) identifies the costs and timelines for implementing CDMS capabilities to generate determination letters; and (d) identifies the costs and timelines for entering case data for completed projects into CDMS.</p>

Section Number	Summary Description of Findings	Ranking Code	Recommendations
6. Costs of Maintaining Public Improvements	Finding #18: City departments do not consistently track and budget for public improvements imposed as conditions of approval for development projects.	N	The Mayor should: 6.1 Direct the City Administrative Officer to require department and bureau directors to evaluate all public improvement maintenance revenues annually to ensure coverage of maintenance costs.
	Finding #19: Some City departments do not collect sufficient fee revenues to fully recover costs associated with public improvements.	N	6.2 Direct the City Administrative Officer to develop a fee structure that includes maintenance fees for all public improvements resulting from development project conditions of approval.
		N	The City Council should: 6.3 Take actions to ensure that special services are fully covered by related fees, including a requirement for all fees for special services to be updated on a periodic basis based on the U.S. Department of Labor Consumer Price Index.
		N	6.4 Determine the feasibility of increasing assessments in accordance with the requirements of Proposition 218, to ensure that all assessments are updated on a periodic basis based on the U.S. Department of Labor Consumer Price Index.

Description of Recommendation Ranking Codes

U - Urgent - The recommendation pertains to a serious or materially significant audit finding or control weakness. Due to the seriousness or significance of the matter, immediate management attention and appropriate corrective action is warranted.

N - Necessary - The recommendation pertains to a moderately significant or potentially serious audit finding or control weakness. Reasonably prompt corrective action should be

taken by management to address the matter. Recommendation should be implemented no later than six months.

D - Desirable - The recommendation pertains to an audit finding or control weakness of relatively minor significance or concern. The timing of any corrective action is left to management's discretion.

N/A - Not Applicable