

Agenda Report

December 8, 2014

TO: Honorable Mayor and City Council
FROM: Planning & Community Development Department
**SUBJECT: UPDATE ON IMPROVEMENTS TO THE DEVELOPMENT REVIEW
PROCESS AND RECOMMENDED CHANGES RELATED TO DESIGN
REVIEW**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the review of changes related to the development review process are exempt from CEQA pursuant to Section 15061 (b)(3) the General Rule; and
2. Direct staff to prepare amendments to the Municipal Code which:
 - A. Amend the Design Review process to eliminate the “optional” 50% Concept Review and clarify the Preliminary Consultation review; and
 - B. Modify the composition of the Design Commission by reducing the number of members from the current nine to seven and establishing specific qualifications for its members.

EXECUTIVE SUMMARY

This report provides an overview of the City’s development review process, describes recent improvements, and identifies additional changes that can be made to further enhance it. Updates on these efforts have been provided through the City Manager’s newsletters and staff made two presentations to the Economic Development Technology Committee. This item was originally placed on the agenda for the November 17th City Council meeting; however, due to the length of the meeting, the City Council continued the item to December 8, 2014. This report has been revised from the previous City Council report to provide some additional discussion on staff’s recommendations and to clarify some background information.

BACKGROUND

The mission of the development review process is to insure that development in Pasadena is both of the highest quality and meets important health and safety standards, while providing a high level of customer service. Development is an important component of the City's economic vitality, however, insuring quality development and protecting the integrity of neighborhoods is equally important.

The development review process in Pasadena is highly complex. Like other cities in California, Pasadena must enforce State and Federal regulations regarding public health, safety, accessibility, and environmental review that can be very complicated. Examples of these regulations include the Fire Code, Public Health Code, Building Code, the California Environmental Quality Act (CEQA) and the American's with Disabilities Act (ADA). Sometimes the regulations in these codes overlap which results in different departments or divisions of the City reviewing the same elements of plans, but for different purposes. For instance, both the Building and Safety Division and the Public Health Department will review plans for restaurants; however, Building and Safety will review the plans for structural safety while Public Health will review the same plans for health issues.

Pasadena also has extensive local regulations in areas such as zoning, historic preservation, design review, and transportation which require further study and many times results in additional discretionary applications. The City of Pasadena places a high value on citizen participation and believes that citizen involvement early in the process results in better projects. As such, projects may require approvals from one or more appointed bodies of citizens such as the Planning Commission, Transportation Advisory Commission, Design Commission, Historic Preservation Commission, or Arts and Culture Commission.

In order to provide feedback to the applicants in a more efficient manner, the development review process is divided into two phases. The first phase is the planning entitlement where Planning staff coordinates the review of projects that require a discretionary action under the City's Zoning ordinance. Planning staff review the projects for conformance with the General Plan, Zoning Ordinance, any applicable specific plan, and design guidelines and seeks comments from the various departments. This part of the review can result in extensive revisions to a project or conditions of approval incorporated once the project is approved.

Following approval of a project through the planning entitlement phase is the building permit process. This process is required to review construction documents that have much more detail than the plans submitted for the planning entitlement to insure that construction will be in compliance with all State and City safety codes. Many of these projects are simple and require limited review, in fact, 85% of all permits are issued the same day, over the counter. For the remainder of the projects, this process involves a customer submitting their building plans for review. When all corrections are addressed field inspections occur and final sign off and/or the Certificate of Occupancy is issued. The Fire, Planning and Community Development, Public Health, Public Works, Transportation, Water and Power Departments (and sometimes Police Department) all

play a role in reviewing plans and issuing approvals during both phases of the development review process.

DEVELOPMENT REVIEW STUDY

There has been an on-going effort to assess the development review process and how to provide the best customer service while staying true to the mission of quality and safety. In 2012, a consultant was retained to prepare a study of the City's development review process. The consultant conducted over 20 different focus group meetings with representatives of the development community, resident community, members of the Design Commission, Planning Commission, Historic Preservation Commission, and individual discussions with the Mayor and City Council Members.

The study provided a comprehensive review of then current practices and procedures and compared these with other government organizations and best practices. The result was a detailed study that provided nearly 300 recommendations that could be utilized to create a more effective, customer friendly development process. The study includes an analysis of the Permit Center functions, staffing and service within each division of the Planning and Community Development Department, a review of the Commissions that are part of the development review process and how technology can be used to improve service and create efficiencies.

The study found that the City's current process already employed a number of best practices. For example:

- The Permit Center serves as a centralized location for providing information and service to customers.
- The City has adopted CEQA guidelines that are readily available on the internet and staff has been trained in the proper application of CEQA.
- The Planning Commission allocates a substantive portion of its meetings to advanced planning (i.e. extensive role in the General Plan update work).
- Authority for approval of many land use entitlement permits in the Zoning code is with a Hearing Officer.
- Preliminary Consultation within Design Review provides the applicant with feedback early in the process.

The study also identified areas where improvements could be made including:

- Enhancing customer service in the Permit Center.
- Replacing legacy technology used in the development review process.
- Improving existing land use entitlement, building permit and code compliance processes.
- Improving how staff is utilized.
- Improving the Design Review process.

Given the multiple departments that participate in the development review process, an Interdepartmental Review Team (IRT) was formed to further explore and implement

where appropriate, the study recommendations. The team is comprised of senior level staff from those departments engaged in the development process.

To date, a number of changes have made to internal processes and procedures resulting in staff efficiencies and measurable improvements:

Improved Customer Service in the Permit Center

- Relocated staff from the Public Works and Fire Departments to the Permit Center to provide more efficient services to customers.
- Established a dedicated permit window to expedite sub-trade permits (mechanical, plumbing, electrical).
- Upgraded the Q-Flow customer service system to more efficiently guide customers through their permit center windows.
- Provided real wait times for each of the windows in the Permit Center on-line so that customers can determine the most efficient time for them to visit the permit center.

Planning Process Improvements

- Applicants receive early feedback on their applications. Projects are reviewed for completeness, zoning consistency and potential development issues within 30-days of application.
- Cases are routed to multiple departments for review within one week of submittal compared to four weeks.
- New, more concise applications have been created and implemented. Submittal requirements are more clearly defined, resulting in fewer requests for additional information from an applicant, which reduces time and costs to the process.
- Applications are reviewed closely with applicants upon submittal for all necessary information. This reduces the potential of an incomplete application and frustration by the applicant when asked for missing items several weeks after submittal.
- New Design Review staff report templates have been created to focus discussion and analysis on key design issues.

Interdepartmental Improvements

- A custom tracking system has been created and implemented to monitor the amount of time it takes staff to complete reviews for building plan check and processing for specific Planning entitlement cases. Monthly reports are generated and provided to management staff.
- Supervisors are sent an e-mail notification of projects that are approaching a due date so that they can more effectively monitor the project applications.
- Business license applications are being routed electronically which saves time and hassle for customers.
- Custom programs have been developed to enable electronic routing of cases between departments. This replaces the hard copy interoffice mail system with

electronic routing. This improves interdepartmental communication as comments are viewable to all staff working on a case and information can be exchanged faster.

Results of the Internal Process Improvements

These improved internal processes and enhanced interdepartmental coordination have resulted in a reduction in the overall staff processing time for Planning entitlement cases and building plan check. As compared to 2010, the processing time for the most common planning cases has been reduced as follows:

- Certificates of Appropriateness (Historic Preservation Permits) reduced by 34%
- Conditional Use Permits reduced by 44%
- Hillside Development Permits reduced by 53%
- Minor Conditional Use Permits reduced by 43%
- Minor Variances reduced by 46%

For the same time frame, the average days for the Building and Safety Division to complete plan check review has been reduced by 32% for medium projects and reduced by 40% for large projects.

Importantly, these improvements have been implemented while volumes continue to increase as a result of economic recovery. Planning entitlement cases have increased by 28% and the total valuation of Building permits has increased by 212% (Building permits are measured by valuation because the higher the valuation, the more complex the permit).

Case Processing Times

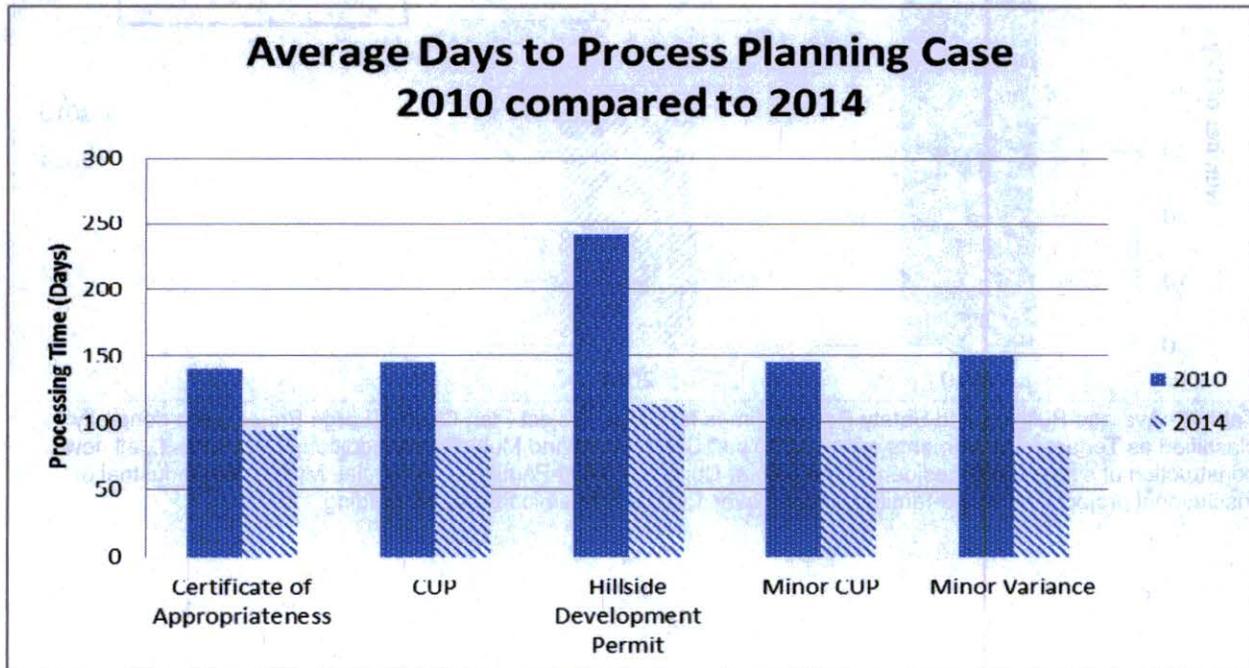


Table 1 – Planning Case Processing Times

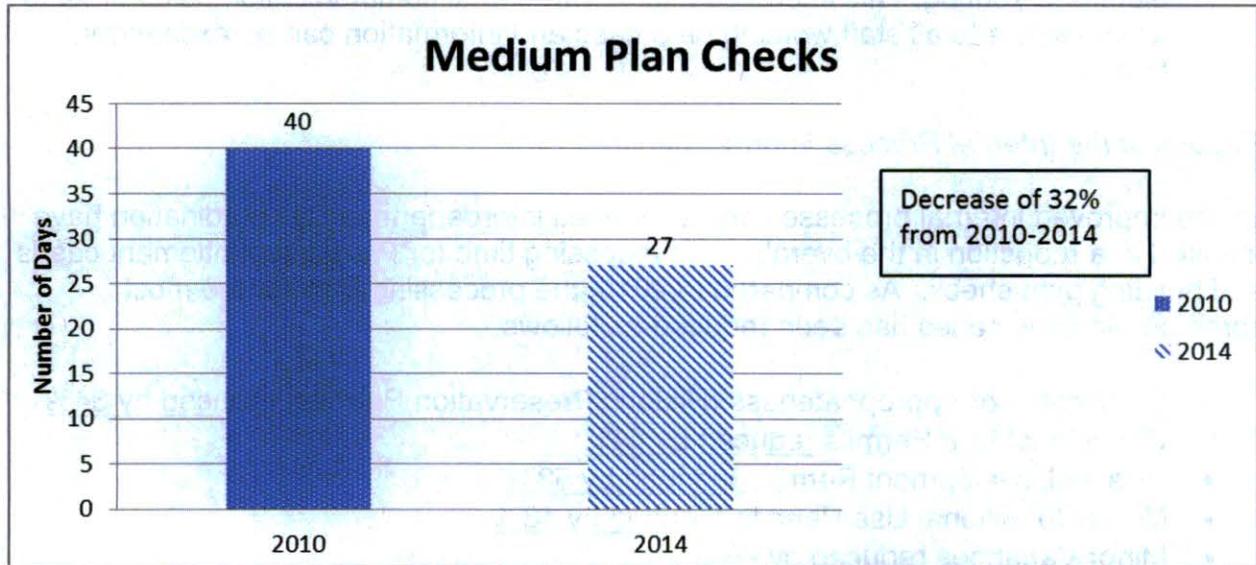


Table 2- Average Building and Safety Review Times for Medium Project Plan Check: Medium Projects are generally classified as: Tenant Improvements between 3,000 and 10,000 square feet, Single-Family residential additions between 500 and 1,000 square feet outside of Hillside Districts, all residential remodels over 500 square feet (interior only), swimming pools and spas in Hillside Districts, Commercial and Multi-Family additions under 500 square feet, signs requiring Zoning Field Inspection or Design Review, Retaining Walls, Wireless Communication Facilities and foundation only for new construction.

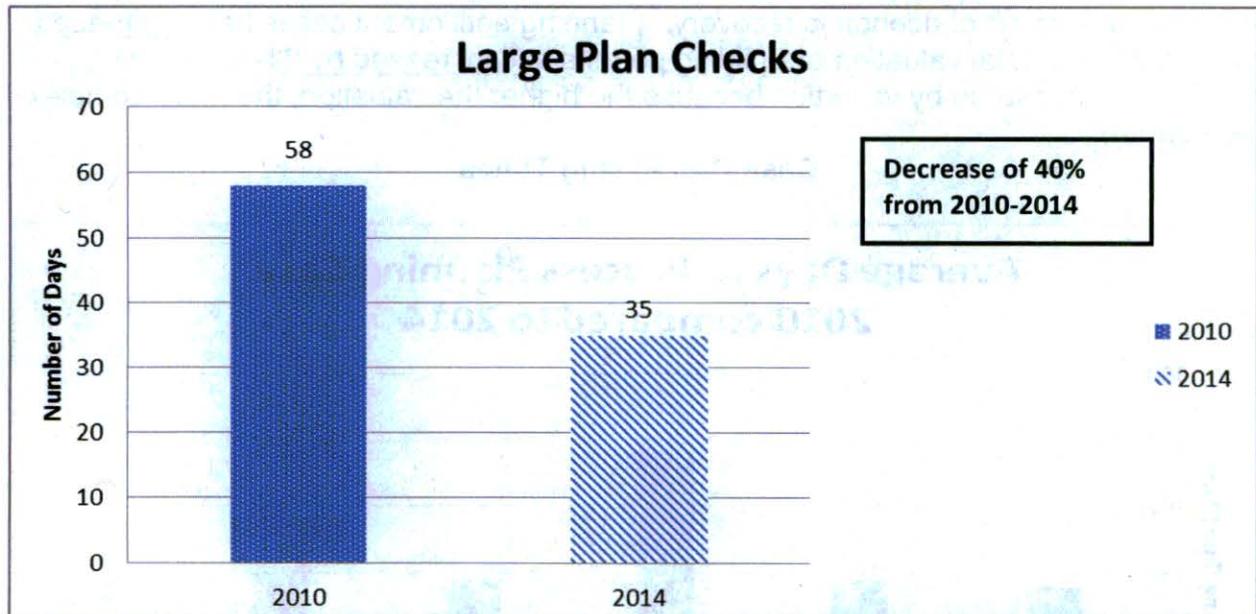


Table 3- Average Building and Safety Review Times for Large Project Plan Check: Large Projects are generally classified as Tenant Improvements over 10,000 s.f., Commercial and Multi-Family additions over 500 s.f., all new construction of single-family residential structures, Duplexes, Multi-Family, Commercial, Mixed-Use, Industrial or Institutional projects, all single-family additions over 1,000 s.f, seismic retrofit, all grading.

Case Volume

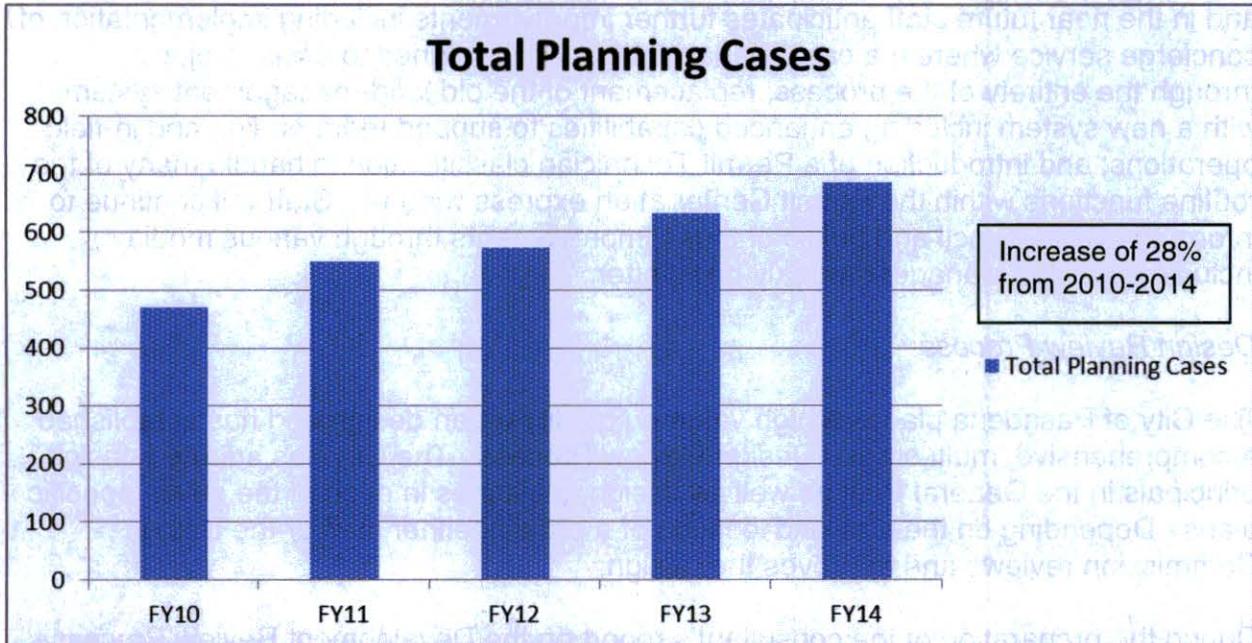


Table 4 – Total Planning cases received 2010 through September 30, 2014

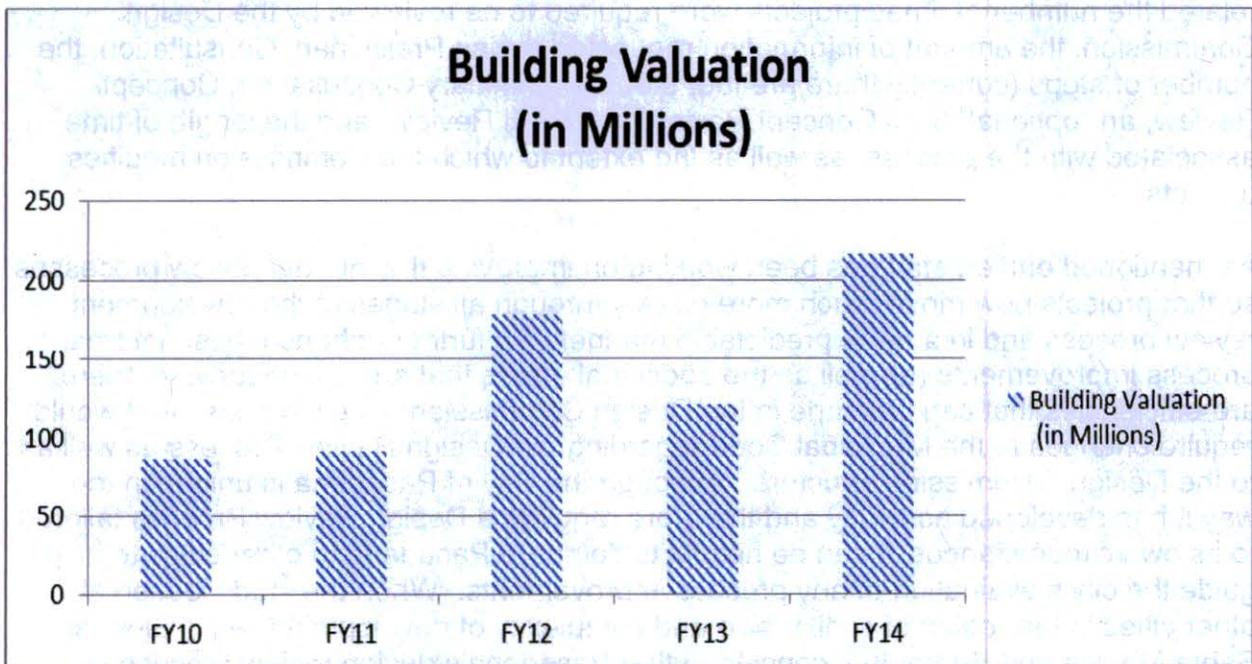


Table 5- Total Building Permit Valuation over last five Fiscal Years.

Next Steps

The efforts to bring greater efficiency to the Development Review Process are ongoing and in the near future staff anticipates further improvements including implementation of concierge service wherein a case-manager would be assigned to assist projects through the entirety of the process; replacement of the old land-management system with a new system including enhanced capabilities to support more on-line and in-field operations; and introduction of a Permit Technician classification to handle many of the routine functions within the Permit Center at an express window. Staff will continue to inform the City Council and public of these improvements through various media including the City Manager's weekly newsletter.

Design Review Process

The City of Pasadena places a high value on quality urban design and has established a comprehensive, multi-staged Design Review Process. The City has adopted design principals in the General Plan as well as design guidelines in each of the seven specific plans. Depending on the size and location of a project, either staff or the Design Commission reviews and approves the design.

During the preparation of the consultant's report on the Development Review Process, the City's Design Review Process was singled out during many of the stakeholder interviews as an area where improvements should be focused. Generally, comments related the number of times projects were required to be reviewed by the Design Commission, the amount of information requested during Preliminary Consultation, the number of steps (currently there are four steps: Preliminary Consultation, Concept Review, an "optional" 50% Concept Review and Final Review) and the length of time associated with the process, as well as the extent to which the Commission modifies projects.

As mentioned earlier, staff has been working on improving the internal review processes so that projects now move much more quickly through all stages of the development review process and in a more predictable manner. To further enhance these internal process improvements (as well as the additional efforts that are still underway); there are efficiencies that can be made in the Design Commission review process that would require changes to the Municipal Code regarding the Design Review Process as well as to the Design Commission structure. Although the City of Pasadena is unique in the way it has developed as a City and therefore requires a Design Review Process tailored to its own circumstances, it can be helpful to compare Pasadena to other cities to help guide the city's evaluation of any process improvements. When the study looked at other cities in the region of similar size and complexity of development (e.g., Glendale, Santa Monica and Burbank) it concluded that Pasadena's design review process is more involved than the established processes of these cities.

The study recommends:

- The adoption of comprehensive Citywide Design Guidelines.

- Upon implementation of the Design Guidelines the Design Review Process should be two phases: Preliminary and Final. Eventually this could be further modified to a single phase for projects that are reviewed by staff and determined to meet the guidelines and the Design Commission would only conduct a Final Design Review. Under this scenario, if staff determined that a project did not comply with the guidelines, then the Design Commission would conduct both a Preliminary and Final Review.
- The membership of the Design Commission should be reduced from nine members to five.
- The membership should be modified so that not less than three members are licensed architects and two members who are qualified to analyze and interpret architectural and site planning information (such as licensed landscape architects, urban planners, engineers).

To give additional perspective on the comments from the consultants, staff also reviewed the last three years of Design Commission meetings to better understand the amount of time that projects were reviewed by the Commission as well as the type of entitlements and conditions that were associated with these projects. Over this period of time there were 29 cases that were reviewed by the Design Commission. Of these cases, the number of meetings per case ranged from three to six, with four being the average number of meetings needed to approve a project, and 60% of the cases required the optional 50% review by the Commission. Twenty percent included an onsite public art component and 93% had associated Planning entitlements.

The Design Commission has played an important role in insuring that Pasadena maintains a high level of design. The City should maintain a robust Design Commission that reflects the diversity of expertise needed to insure high quality design in Pasadena while reflecting community values. In order to improve upon the Design Review Process, while maintaining strong Design Review, staff is recommending that the City Council approve the following actions:

1. Elimination of the “optional” 50% Concept Review. By focusing more clearly on a three step process which includes: Preliminary consultation to discuss concepts and address potential issues, Concept Review to address specific design elements and Final Review to ensure compliance with the design elements and review finishes, the process is anticipated to be more focused. The 50% Concept Review invites the temptation to leave matters unresolved at Concept Review which can add significantly to the overall length of the process and leave matters unresolved for an extended period of time.
2. Clarify the Preliminary Review procedures so that the intent is clear that the information required of the applicant is preliminary in nature.
3. Modify the composition and reduce the size of the Design Commission to provide more clear and concise direction to applicants without losing the diversity of experience needed to thoroughly evaluate a project, while making it easier for the Commission to reach a consensus.

- a. Reduce the size of the Design Commission from nine to seven members. Although most city commissions have nine members, these commissions typically have one commissioner appointed by each Councilmember and two members appointed by the Mayor necessitating a nine member commission. The Design Commission is unique in that it currently has five members appointed by the Mayor (nominated by Councilmembers) and four members representing other Commissions. This can be achieved by eliminating the Transportation Commission and Arts and Culture Commission representatives, while maintaining the Planning and Historic Preservation Commission representatives. The number of projects that involve Transportation or Arts and Culture issues that might require a change to a project is relatively few and when these issues arise; staff that supports these Commissions can insure that they are addressed in an appropriate manner. Because 93% of the design review cases involve Planning entitlements and since the Design Commission acts as the Historic Preservation review authority in the Central District, the Planning and Historic Preservation Commission representatives should be maintained to achieve consistency with these issues.
- b. Establish specific qualifications for the members of the Design Commission (the Mayor appointed commissioners are based on recommendations from City Council members and this process would not change):
 - Two commissioners with a background in Architecture (Mayor appointed).
 - One commissioner with a background in Historic Preservation (Mayor Appointed).
 - One commissioner with a background in Landscape Architecture (Mayor Appointed).
 - One commissioner that is a community member at-large (Mayor Appointed).
 - One commissioner that is a representative of the Planning Commission
 - One commissioner that is a representative of the Historic Preservation Commission

During presentations to various City Commissions regarding the results of the Development Review Study, staff discussed the idea of modifying the Design Review Process and the make-up of the Design Commission with the Planning Commission and the Design Commission. Neither Commission was supportive of reducing the number of Commission members; however, the Planning Commission suggested changes to the qualifications of membership by eliminating the appointee from the Arts and Culture Commission and replacing the seat with an additional Mayoral appointee having expertise in historic preservation. Furthermore, the Planning Commission felt that one other Mayoral appointee should have expertise in historic preservation. The Design Commission recognized that the Commission could benefit from ensuring certain disciplines with experience in historic preservation are represented on the Commission (Attachments A & B are correspondence from the Design Commission related to this

topic). The Design Commission supported the elimination of the 50% Concept Review and the Planning Commission did not comment on that suggestion.

Should the City Council wish to implement these changes, further review and approval would be required of the City Council and a public hearing and ordinances would need to be adopted by the City Council at a future meeting. An amendment to Title 2 of the Municipal Code would be required to revise the membership of the Design Commission. As it relates to the elimination of the 50% Concept Review and clarification of the Preliminary Consultation procedures, these would involve an amendment to Title 17 of the Code (Zoning Code) which would necessitate review by the Planning Commission prior to City Council action. In addition to these proposed changes to the Municipal Code, the Design Commission and Planning staff have been working together to help clarify and streamline the information requested of the applicants and expect that these changes will help reduce time and expense for the applicants.

Review Authority for Historic Buildings and Historic Districts in the Central District

While not part of the development review study, related to the litigation involving the Environmental Impact report for the Playhouse Plaza Project, the City agreed as part of a side letter agreement to review certain processes currently in place related to the review of historic resources. These processes occur within the development review process, so staff as part of this effort, asked the Historic Preservation, Design Commission and Planning Commission to review this request and make a formal recommendation to the City Council.

The Side Letter requested the following:

Study the current role of the Design Commission as the review authority for historic buildings and historic districts in the Central District and changing this to the Historic Preservation Commission.

The Planning Commission, Design Commission and Historic Preservation Commission considered this and all three stated that current practice does not need to be modified and the review authority should remain with the Design Commission. In addition, if the recommendations regarding the composition of the Design Commission listed in this report are adopted by the City Council, the Design Commission will have additional historic preservation expertise to guide its decision making. Staff concurs with these Commissions; therefore, no recommendations are being made to modify the duties of the Design and Historic Preservation Commissions.

COUNCIL POLICY CONSIDERATION:

The ongoing effort to improve the City's development review process is consistent with and furthers the City Council's Strategic Plan Goal to support and promote the quality of life and the local economy.

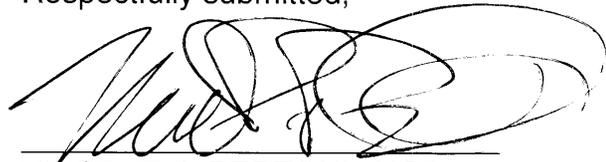
ENVIRONMENTAL ANALYSIS:

The proposed action, review and recommendation on proposed changes to the development review process is exempt from CEQA. State CEQA Guidelines Section 15061 (b) (3), states that CEQA only applies to projects that may have an effect on the environment.

FISCAL IMPACT:

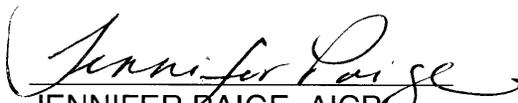
There is no fiscal impact as a result of the City Council's review and recommendation on the proposed changes to the development review process.

Respectfully submitted,



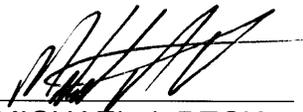
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Attachment: A - Letter from Design Commission dated September 7, 2013
Attachment: B - Letter from the Design Commission dated December 26, 2013
Attachment: C - Summary of commission comments on various recommendations