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THE CITY OF
NOVATO
CALIFORNIA

75 Rowland Way, #200
Novato, CA 94945-5054
(415) 899-8900
FAX (415)899-8213
www.ci.novato.ca.us

STAFF REPORT

MEETING

DATE: May 22, 2007

TO: City Council

FROM: David Wallace, Community Development Director

SUBJECT: **REVIEW OF THE "ANALYSIS OF THE DEVELOPMENT REVIEW PROCESS" REPORT PREPARED BY MANAGEMENT PARTNERS, INC. (Continued from April 3, 2007)**

BACKGROUND AND MEETING PURPOSE

The City Council has identified improvement of the development review process as one of their Strategic Plan priorities. The consulting firm of Management Partners was commissioned by the City to conduct a wide-ranging analysis of the current development review process in the City and to prepare a report summarizing their findings and making recommendations for improvements to the process. The consultants gathered input from elected and appointed decisions makers, City staff, developers, environmental representatives, business community representatives and individuals who have been issued building permits. The report, Analysis of Development Review Process, provides a comprehensive view of how the development review process currently functions and provides 37 recommendations for ways to improve the process.

Since the report was released in the fall, it has been reviewed by the Permit Streamlining Committee, the Planning Commission and the Design Review Committee, each of which has prepared comments on the report for consideration by the City Council. In addition, subsequent to release of the report, Management Partners conducted a retreat with City staff and representatives from outside agencies that interact with the City in the development review process. The retreat process was based on a GE Workout agenda and a report on the results of that retreat has been prepared. Copies of the various reports, meeting minutes and summaries of comments are attached.

Many of the recommendations in the report involve technology improvements, simple process revisions, policy analysis and opportunities for staff development. Other recommendations have previously gained City Council approval. Staff has already begun implementation of these types of recommendations. For example, staff, in conjunction with the Planning Commission and Design Review Committee has begun an inventory of policies to consider updating (Recommendation 4). Staff is now making greater use of outside design professionals to assist in the design review process (Recommendation 7). A request for proposals will soon be released for technology upgrades including a new permit tracking system and the potential for greater web access to Community Development Department services (Recommendations 14, 15 & 16).

Based on the GE Workout (staff/agency retreat) report staff has begun work on Recommendations 21 and 22 regarding process improvements. The Building Division and Public Works are assessing how site plan reviews are conducted and considering consolidation of activities (Recommendation 32). Tenant improvements to the Community Development Department are underway to better serve customers (Recommendation 37). These changes are representative of the beginning of an improvement process for development review in Novato.

Other recommendations in the report involve policy issues which staff believe necessitate policy direction from the City Council. The purpose of this work study session is to provide the City Council the opportunity to:

1. Review the reports from Management Partners,
2. Consider the comments and recommendations from the various appointed Commissions and Committees,
3. Provide feedback on implementation of the recommendations in the reports,
4. Discuss implementation followup.

At the work study session the consultant will make a presentation on preparation of the report and the general recommendations of the study. The focus of this staff report is on the recommendations that staff believes raise policy issues meriting feedback from the City Council. This report also summarizes the comments on those policy issues from the City Council's appointed committees and commissions.

DISCUSSION

Staff believes there are six key recommendations in the report that merit discussion by the City Council and policy feedback to staff. Each of these issues is discussed below and there is important comment on many of these issues in the comment summaries and meeting minutes that are attached to this report. The items for discussion are listed in the numerical sequence originally discussed in the Management Partners report. Staff also requests discussion of any other items on which the City Council wishes to comment.

Recommendation #1: Fill Vacant Planning Manager and Principal Planner Positions (see Page 21): The report recommends filling both these positions as soon as possible to bring staffing to a level consistent with other jurisdictions analyzed in the study and to provide adequate staffing to implement improvements recommended in the report and any others staff identifies. Adequate staffing levels to address the report recommendations are critical. This is even more of a concern because of pending updates to the Affordable Housing ordinance, major development projects in-review or expected to be submitted, and, most significantly, interest by the City Council in updating the General Plan.

Staff has noted over the last six months that development entitlement activity has slowed and billings from private development are less than projected in the budget. Based on this activity level staff proposes to the City Council that the Principal Planner and Planning Manager positions be filled but

that at this time another planning position be left vacant (a net increase of only one staff person). This would provide staff with the higher levels of expertise appropriate for the upcoming tasks but reduce salary costs unless justified in the future by increased work loads.

Recommendation #4: Develop an Inventory of Existing Policies That Should Be Revised (see page 25 of the report): The report found that a lack of updated ordinances and policies allows significant discretion in the development review process creating uncertainties for applicants and sometimes arbitrary decisions. City policies are sometimes inconsistently applied because of open-ended language which allows interpretation and because the policies are outdated and may not be consistent with recent decisions made by the City. In addition, adopted policies may not always be consistent with current community expectations for development, thereby leading to conflict in the development review process and long delays prior to action on proposals.

The report recommends that a work session be scheduled with the City Council to provide direction on General Plan, ordinance and policy updates that may be appropriate to clarify the goals of the City. The report further recommends that prior to discussion by the Council that advisory bodies provide input. The PSC, DRC and PC have all commented on the importance of updating the General Plan and other codes related to development review and have provided specific recommendations for policies in need of review (see attached meeting minutes and comment summaries). Key policies singled out include hillside preservation, commercial land use designations and residential densities. Staff requests that the City Council comment on policies warranting updating at this time.

Recommendation #6: Review Subcommittee Policies and Procedures (see page 32): The report notes that the Design Review Committee has used the subcommittee process to streamline the review of projects and provide more focused feedback to applicants. However, it was also noted this process can add to inconsistent application of policies, lengthen the review process and reduce public involvement early in the project design phases. The report recommends a review of the subcommittee procedures by the City Attorney and for the City Council to approve how the subcommittee process is used.

The DRC discussed this issue and believes strongly that design subcommittees play an important role in the development review process by improving the design of projects and speeding up design review (see DRC Meeting Minutes and Comment Summary). The DRC recommends that the use of subcommittees be retained in the development review process. If the City Council supports the DRC recommendation to continue the use of DRC subcommittees in the design review process, staff will work with the City Attorney and the DRC to develop recommendations for approval by the City Council on how to best utilize subcommittees in a legally conforming manner that expedites the review process.

Recommendation #8: Eliminate the Design Review Committee and Integrate functions into the Planning Commission (see page 34 of the report for discussion): In many of the interviews conducted by the Consultants comments were made that the distinctions between the roles of the Design Review Committee and the Planning Commission are sometimes blurred and that having the

two review bodies can extend the development review process. The report notes that some communities have been able to adequately differentiate the roles of the two bodies so that the process worked predictably, while other communities have combined the two functions so they are performed by one board. The report discusses several alternative ways to address this issue including: 1) eliminating the Design Review Committee and appointing some Planning Commissioners with design expertise, 2) combining the DRC and the PC, and establishing a design review subcommittee, or 3) amending the Municipal Code and City policies to clarify the roles of both bodies and ensure appropriate Planning Commission land use input on projects before the design is established.

The Permit Streamlining Committee, the Planning Commission and the Design Review Committee all recommended retaining both the DRC and the PC. All of these groups also recommended that the roles of each group be better defined so that conflicts are avoided and each body works within its authority. Such modifications could range from changes in practices to ordinance changes that affect the development review process and jurisdiction of the bodies. The Design Review Committee recommended creation of a subcommittee made up of DRC members, Planning Commissioners and City staff to discuss the roles of the two groups, areas of authority, sequencing of project review and how their review of projects can be better coordinated to improve the process.

Staff requests that the City Council comment on whether these two bodies should be combined or, if both bodies are to be retained, to provide direction on a process to better define their roles and improve coordination.

Recommendations #10 & #11: Revise the Community Engagement Process (see Page 36):

The report notes that a major frustration in the development review process is that public input on development proposals sometimes first appears at the point the project is in front of the City Council. At this time it is often too late to effectively and expeditiously address a major issue in a timely manner. There are several recommendations in the report regarding procedures to insure early community input in the development review process. Recommendation #10 suggests requiring applicants of certain projects (which projects to be determined) to conduct neighborhood meetings prior to planning approval. Recommendation #11 would establish procedures that encourage early public participation in the development review process.

Both of these recommendations are intended to insure that there will be extensive engagement with the community early on so that the controversy level will be reduced and most issues resolved prior to a proposal reaching the City Council. This type of community engagement could be beneficial later in the process but will potentially be expensive and time consuming early on in the process prior to an applicant having much knowledge of the status of a proposal. To implement these recommendations could require new ordinances and staff is requesting City Council feedback on whether such changes should be included in a future work program.

Recommendation #13: Eliminate the Permit Streamlining Committee (see Page 38): In conducting their research, Management Partners found a lack of discernable outcomes attributable to the Committee and visible to those outside the group. With implementation of their report, the

consultant felt the need for the Committee would be reduced and that valuable staff time currently spent staffing the committee could be better spent implementing the recommendations of the report. The report therefore recommends that the PSC be eliminated and progress reports on the implementation of improvements to the development review process be reported to the City Council, Chamber of Commerce or other stakeholder on a periodic basis. Some Committee members have expressed an interest in continuing the Committee in order to provide a forum to comment on the development review process and to play a role in monitoring the implementation of the report recommendations. City Council feedback on the appropriate role of the Permit Streamlining Committee is requested.

Implementation of Report Recommendations: There are 37 recommendations listed in the Management Partners report for improvements that will enhance the development review process. Staff believes that there are obvious benefits to 30 recommendations contained in the report and it is staff's intent to continue to implement these recommendations unless directed differently by the City Council. Staff requests City Council feedback on the following seven report recommendations and any others the City Council wishes to comment on:

Recommendation 1	Planning Division Staffing Needs
Recommendation 4	Existing Policies to Be Updated
Recommendation 6	Use of Design Review Subcommittees
Recommendation 8	Role of the Design Review Committee and Planning Commission
Recommendations 10 & 11	Potential Revisions to Community Engagement Processes
Recommendation 13	Role of the Permit Streamlining Committee

Based on policy feedback from the City Council, staff proposes to work with Management Partners to finalize an action plan for implementation of the recommendations in the report. The action plan will include implementation priorities and time lines for implementation of the recommendations. Staff proposes to report back to the City Council with the action plan within next two months.

ATTACHMENTS

1. Analysis of Development Review Process Report (previously circulated to Council)
2. Permit Streamlining Committee Summary of Comments
3. Planning Commission Minutes of December 4, 2006
4. Design Review Committee Minutes of January 3, 2006
5. Design Review Committee Summary of Comments
6. GE Workout (staff/agency retreat) Results Report

PERMIT STREAMLINING COMMITTEE RECOMMENDATIONS REPORT ON ANALYSIS OF DEVELOPMENT REVIEW PROCESS

This document is a summarization of comments and recommendations made by the Permit Streamlining Committee at two separate meetings in 2006 and 2007.

Policy Changes: The Permit Streamlining Committee (PSC) believes that updating the General plan is critical to improving certainty in the length and outcome of the development review process. The Committee stated it will be important to eliminate inconsistencies between the adopted policies of the City and city actions on development projects. The first step should be completing an inventory of policies and programs to be updated. The Committee also recommended better application and enforcement of existing City guidelines to insure consistent treatment of applicants.

Process Changes: Recommendations for process changes received perhaps the highest priority from the Committee. The Committee did not try to provide a comprehensive list of recommended changes but did cite examples. Recommendations included improved checklists that could be used by staff and applicants to expedite and make more consistent the review of projects. Changes that would minimize the amount of time projects are reviewed by staff prior to the first public review were encouraged. Gathering and dispensing to applicants information on fees required for the City and all other involved agencies was also encouraged. Other discussions of process related back to clarifying the roles for the Planning Commission and Design Review Committee.

City Council Revisions to Development Projects: Some Committee members expressed frustration that development projects receive support from or are approved by the Design Review Committee and/or the Planning Commission and are then significantly revised by the City Council. The Committee felt that updating policies and ordinances would potentially give the City Council more confidence in the decisions of its appointed bodies and reduce the impetus for the City Council to rework projects

Technology Acquisition: The Committee felt the acquisition of state of the art technology was important and recommended that occurring as soon as possible. The City of Roseville was cited as an organization with a good use of technology.

The Committee supported updating the City's web site to improve access to information. The discussion also encouraged improvements to the permit tracking system and the ability to obtain permits and research the status of projects on the web

Roles of DRC and PC: There was mixed feedback on this issue. One committee member recommended eliminating the DRC altogether. However, other Committee members recommended keeping the two groups separate and more clearly defining their roles. If the DRC is retained it was emphasized that very clear ordinances to guide development would be critical.

Inter Agency Coordination: Committee members felt that significant strides had been made in this area. There was praise for the multi-agency retreat conducted by Management Partners. Agency representatives specifically endorsed Recommendation 32 (review the on-site and off-site civil plan review process), recommendation 34 (appoint senior manager as liaison to districts) and recommendation 35 (periodic meetings between City Manager and agency chief executives). Agencies were particularly interested in being involved in the General Plan update process to insure service capacity is tied to permitting system.

Public Input Early in Process: The Committee members in the development strongly favored recommendations that would encourage/require processes that provided early public input on development projects. It was stated that encouraging public input as early in the process as possible would help applicants understand where their projects stood and give them the best information possible in deciding how to proceed with a project.

Role of the Permit Streamlining Committee: Generally Committee members were interested in seeing a continuing role for the Committee. They felt the Committee was valuable because it provided an opportunity for public input on the development review process and it would provide a venue to continue to push for and monitor process improvements. On the other side of the issue, some Committee members felt that if the Management Partners report is being actively implemented, the Committee would no longer be needed.

Implementation of Recommendations: The Committee recognized that there was a very broad scope and extent of recommendations in the Management Partners report and stated that it will potentially take years for the recommendations to be fully implemented and integrated into the system. The Committee recommended breaking the implementation process into manageable pieces. It was emphasized that the city must maintain momentum on the project and be persistent in its implementation efforts.