



CITY OF BEVERLY HILLS STAFF REPORT

Meeting Date: April 22, 2010

To: Honorable Mayor & City Council

From: Susan Healy Keene, AICP, Director of Community Development
Jonathan Lait, AICP, City Planner

Subject: Consolidation of Architectural and Design Review Commissions

Attachments:

1. City Council Report –November 18, 2008
2. Code Section Summaries: Architectural and Design Review
3. Architectural and Design Review Criteria
4. Matrix Study Analysis (Excerpt)

INTRODUCTION

This report provides background for the discussion of consolidating the City's Architectural Commission (AC) and Design Review Commission (DRC) and seeks direction on whether and how to proceed with this task.

Staff is bringing this item forward as directed by City Council, additionally:

1. Staff was directed to bring forward the consolidation issue as part of the management audit conduct by the The Matrix Consulting Group for the Community Development Department.
2. A significant number of Commissioner terms will expire this year:
 - DRC: 4 of the 5 terms are scheduled to expire this year. One of these 4 is eligible for reappointment.
 - AC: 1 of the 7 terms is scheduled to expire this year. 2 additional terms will expire next year.

BACKGROUND

The Matrix Consulting Group has conducted management studies for a number of City departments. In March 2008, the group completed an audit (hereafter referred to as "The Matrix Study") of the Community Development ("CDD"). As a result, the CDD is in the process of changing many of its past practices based on The Matrix Study's analysis of the CDD's organization of services and people, structure and functions, budgets, workload data and management systems.

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The Matrix Study recommended that the AC and DRC be consolidated from two commissions with 12 members to one commission with 5 members. It further recommended the creation of an Urban Designer position to oversee the new commission and to lessen the commission's workload by transferring more review authority to staff.

The Matrix study was presented to the City Council in November 2008 (Attachment 1). At that time the Council subcommittee did not feel that consolidation was appropriate. The issue was briefly revisited through a verbal report in June 2009 by the City Clerk and the Council confirmed that position had not changed. It was also briefly discussed this year during discussions of a decision made by the DRC that was called up for review by the City Council.

The AC oversees the exterior design of multi-family and commercial buildings, while the DRC's purview is the review of single-family residences located within the Central Area of Beverly Hills. A Style Catalogue is used as a guide for staff and the DRC to ensure that quality in style and materials is paramount in deciding whether to approve projects. The Architectural Commission's review of commercial buildings, condominiums and apartments also stresses quality of materials and compatibility with adjacent surroundings in its approval criteria. A side-by-side comparison of the Beverly Hills Municipal Code Section describing the Code background for the Commissions as relating to the Commissions is provided in Attachment 2. A list of findings each Commission must make to approve a project is included as Attachment 3.

DISCUSSION

Matrix Study Recommendations

An excerpt of The Matrix Study that relates specifically to the consolidation is provided as Attachment 4. A full copy of the study is available on the City's website at: www.beverlyhills.org/government/comdev. The Matrix Study recommended the following modifications to the AC and DRC programs.

- Consolidate the two commissions into one commission with 5 members. The Commissions have expressed opposition to the consolidation. As an alternative to the consolidation, the Council might consider reducing the number of Architectural Commissioners from 7 to 5 (through attrition or re-appointment). This would save time in training, packet preparation and delivery, and reduce the length of monthly meetings while still providing a high level of service and review of each project. A 5-member commission would also be consistent with the number of members on the Planning and Design Review Commissions.
- Amend the zoning code to eliminate the requirement for a covenant memorializing the DRC's decisions to be recorded against the property. This requirement was initiated to ensure that current and future owners of the property are aware of the Design Review conditions on a property. This is a time-consuming process for staff and the owner but has been helpful in enforcing conditions. Staff now requires that the resolution be scanned onto all approved sets of plans and these are kept on file with the City. Resolutions are also kept in the City's Online Business Center records. However, the DRC has strongly felt that the covenant is necessary to maintain a clear record of its

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actions since the covenant is signed by the owners and recorded on the deed of the property.

- Require concurrent processing of AC applications with Planning Commission cases. The AC would be advisory and provide recommendations for cases requiring Planning Commission review, while the AC would have final decision-making authority over projects that do not require Planning Commission review. This would improve application processing times for projects that now require both Architectural and Planning Commission approvals. While the Planning Commission would have final decision authority on the design, that decision would be informed by a recommendation from the AC. Moreover, due to state permit streamlining requirements, the AC would likely get one opportunity to review cases that also require Planning Commission approval.
- Expand staff's authority to approve more projects. Design guidelines could be implemented and approved by the City Council that would allow more detailed design issues to be addressed by applicants and staff. This would also result in staff's ability to approve cases through a faster staff review process.

Staff Streamlining Efforts

While the commissions have not been consolidated, certain measures outlined in The Matrix Study have already been taken to streamline and improve the efficiency of the AC and DRC. Notably these are:

- The Urban Designer position suggested by The Matrix Study was eliminated due to budget cutbacks. Instead, one senior staff member has been assigned to support both commissions. Previously, one staff member was assigned to each commission.
- One additional staff member has been dedicated to assist with report writing, presentations and commission operations to streamline the process and require fewer staff members to be present at each meeting.
- Applications for projects have been updated with input from both commissions.
- Report templates were modified to make the two commission reports more consistent and streamlined.
- Staff level approvals are now processed over-the-counter. Prior to 2009, these reviews took approximately 2 weeks to process.

Staff has outlined below a list of Pros and Cons associated with the consolidation for the City Council's consideration.

PRO	CON
<p>Comissioners would have comprehensive design perspective of all aspects of the City (single family, multi-family and commercial development). A design relationship between commercial and residential areas would be established.</p>	<p>Two commissions allow for more time , attention and expertise to be devoted to the different design aspects of commercial vs. residential development</p>
<p>The availability of two meetings a month will allow greater flexibility to applicants who may save two or more weeks in scheduling an initial</p>	<p>Although meetings would be held bi-monthly, the process for applicants would not be substantially expedited. Most projects come back for additional</p>

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PRO	CON
<p>meeting before the Commission. This appears especially important to R-1 Design applicants for whom two-week delays can be crucial.</p>	<p>reviews and turnarounds for returns would still take a month.</p>
<p>Recruitment process would be simplified, would be easier to have one architect, one building professional, etc. (required vs. at-large positions)</p> <p>Training and retreats for Commissioners would be easier and less costly to implement.</p> <p>A consistent design review approval process could be established both externally for customers and internally with staff.</p>	<p>Heavy workload for one Commission:</p> <ul style="list-style-type: none"> • Existing level of work required is already demanding and can be difficult for business owners and working professionals participating on the Commissions who must take time away from their workday. • Expanding R-1 design review to the entire City would further increase Commission workload. • Commissioners are volunteers and bi-weekly meetings would require a large time commitment, particularly if development picks up from current levels.
<p>Flow of communication between Council, other Commissions (e.g. Planning Commission) would be easier to accomplish with fewer people.</p>	<p>Communication could be improved with existing commissions through the use of liaison meetings with the City Council.</p>
<p>Matrix recommends that more decisions be made at a staff level to expedite the review process for applicants and staff. Therefore, the number of applications to the Commission could potentially be reduced, resulting in a more manageable workload for a combined commission.</p>	<p>Workload for planning staff would initially be ramped up (Code Amendments would be required to consolidate the Commissions, urban design guidelines and procedures to process more applications at a staff level need to developed).</p> <p>Staff workload would increase at a time when staffing levels have been lowered by budget constraints and further cuts may occur.</p> <p>The Matrix Study considered communities that may not necessarily provide the same level of customer service as Beverly Hills, such as Newport Beach, Lake Forest, La Quinta, Pasadena and Santa Monica.</p>
<p>5 members could potentially handle/process cases more efficiently than 12 members.</p>	<p>Commissioners would require significant time to be cross-trained by staff at a time when the staffing levels are low.</p>
<p>New commissioners would have an overall citywide design vision of the City rather than focus on residential vs. commercial.</p>	<p>Less attention would be given to individual projects and less specialized expertise would be available if 5 Commissioners vs. 12 are looking at development projects.</p>

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PRO	CON
<p>Consistent design criteria could be applied to all commercial and residential projects.</p>	<p>Consolidating the commissions would require a number of code changes. Establishing new code criteria to streamline the approval process would require additional analysis and changes to the Code.</p>

- Notes:
1. Additional budget cuts are anticipated for the upcoming Fiscal Year. It is not anticipated that merging the commissions would result in cost savings to the CDD as staff would still be reviewing and processing the same number of cases.
 2. The City Council is considering expanding Design Review to the Hillside Area of the City which would likely require additional resources at the same time that the CDD must cut an additional 5.5% from its operating budget for next year.

FISCAL IMPACT

Although minor efficiencies in staff time and costs might occur as a result of merging the two commissions, staff does not anticipate that any significant costs savings would be achieved as a result of this action.

RECOMMENDATIONS

Staff recommends that the City Council take the following action at this time with regard to the consolidation and that additional recommendations be considered at a future time:

1. No Consolidation, But Reduce the number of Architectural Commissioners from 7 to 5

This will result in shorter meeting times, cost savings for staff time, printing and other minor costs while still providing quality service through 5 professional commissioners. The number can be reduced from 7 to 5 through various options such as attrition over the next year. This would also provide a consistent number of commissioners for both the AC and DRC.

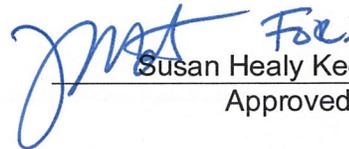
2. Change the Composition of the Commissioners to Simplify the Recruitment Process

Staff recommends that the professional requirements for both Commissioners be limited to a licensed architect and a landscape professional. Priority for these professionals would be given to City residents, but applicants from outside the City should also be considered to broaden the availability of talent available in the local region. This would allow for a variety of laypersons to participate in the process while still retaining the skills of design professionals to guide the other members.

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3. Direct Staff to Prepare Code Amendments to Implement Recommendations 1 and 2

The recommendations suggested above would require minor text amendments to the Code which can be accomplished relatively quickly and easily.

 For:
Susan Healy Keene, AICP
Approved By

ATTACHMENT 1

City Council Report – November 18, 2008



CITY OF BEVERLY HILLS STAFF REPORT

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To: Honorable Mayor & City Council

From: Anne Browning McIntosh, AICP, Community Development
Director (Interim)
Katie E. Lichtig, Assistant City Manager

Subject: Presentation of the Management Analysis Report of the
Community Development Department

INTRODUCTION

On June 19, 2007, Matrix Consulting Group was hired to conduct a comprehensive evaluation and analysis of the Community Development Department's permit and land use entitlement processes, management and organizational system. This audit was to further the City's continuing effort in increasing and providing more efficiency in customer service, fiscal responsibility and work practices of its city departments. The management analysis report which resulted from the many tasks and assessment studies Matrix performed provides the Council with an overview of the evaluation processes used as well as recommendations for implementation.

DISCUSSION

The Department's two divisions, Planning and Building and Safety involve permit and land use entitlement processes which have never been analyzed or evaluated for its efficiency in operations as well as for effectiveness of its management and organizational systems. As part of the city-wide effort to evaluate all Departments, an independent management consultant was engaged to evaluate the department's entire operation and management systems and provide recommendations for improvements.

To gather data and information necessary in their analysis, Matrix conducted interviews not only with department staff but also of other departments involved in the development process like Public Works, Fire and Community Services. The following is a summary of the different tasks performed by Matrix:

- Identified key issues and trends impacting operations
- Developed a department profile

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- Conducted focus groups to assess customer satisfaction with the processes
- Surveyed staff attitudes
- Benchmarked Beverly Hills in a comparative survey and against best practices
- Evaluated permit processes
- Evaluated staff utilization, work practices, and service levels
- Evaluated the zoning ordinance from the perspective of clarity, ease of administration, and opportunities to streamline the process
- Evaluated the plan of organization of the department
- Documented the recommendations and plans of implementation in a final report

These tasks resulted to the analysis of the department's organization and its two divisions including its administration section, the zoning ordinance, technology resources, and the operations of the other divisions involved in the development process particularly Civil Engineering and Transportation.

The draft management analysis report contains over 160 recommendations with the major recommendations falling into three categories:

PROCESSES:

- Update the City's Zoning Ordinance
- Streamline the land entitlement and building permit processes – application submittals, workflows, cycle time objectives, inter-departmental operations, appointment process, use of case managements systems
- Combine the Architectural and Design Review Commissions
- Convert the Building and Safety Division to a Special Revenue Fund
- Integrate Civil Engineering's counter operations into Building and Safety
- Re-evaluate method for calculating fees to ensure full cost recovery of development review fees.

STAFF:

- Authorize positions for a Permit Center Manager, Urban Designer and an Information Coordinator
- Transition customer service staff positions to Development Service Technicians
- Assign a Principal Planner position to the Permit Center

STRUCTURE:

- Expand the Online Business Center (OBC) to accommodate more online permitting functions and internal functions manageability such as its reporting abilities, financial transactions.
- Increase the use of the Geographical Information System (GIS) through improved infrastructure and more staff training
- Develop an information technology strategic plan for the department

The final draft report was submitted to staff in March, 2008 and a team of management staff was created to develop an implementation plan to include the assessment of each recommendation, and the implementation strategy of the accepted or approved recommendation. Many of the recommendations have already undergone this process and have been included in the department's work plan for this fiscal year.

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Recommendations requiring budget adjustments or code changes approval were and will be presented to Council as appropriate.

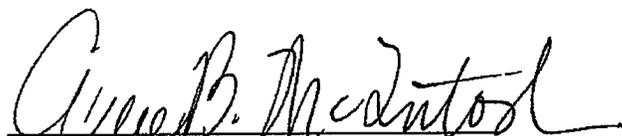
Additionally, the Department has moved back to City Hall, to a newly renovated Permit Center, in the fall of 2008. As a result of recommendations included in this report and implemented concurrently with the opening of the Permit Center, the customers should experience a smooth transition of operations in the new center.

FISCAL IMPACT

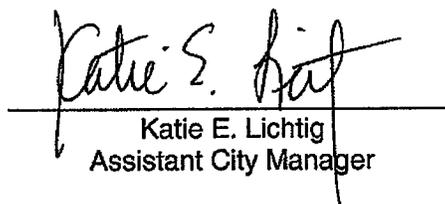
Matrix has provided an Executive Summary in the final draft report which contains the estimated cost savings and cost increase associated in the implementation of its recommendations. Staff has included and will include these fiscal impacts in the budget process.

RECOMMENDATION

Staff recommends that Council receive the presentation from staff and file the report.



Arnie Browning McIntosh, AICP
Community Development Director
(Interim)



Katie E. Lichtig
Assistant City Manager

ATTACHMENT 2

Code Section Summaries: Architectural and Design Review

	ARCHITECTURAL COMMISSION	DESIGN REVIEW COMMISSION
Year Formed	1966 (BHMC 10-3-3001 et.seq.)	2004 (BHMC 10-3-44 et. seq.)
Reason	<p>Commercial Design Review Beverly Hills is internationally known and has become a worldwide synonym for beauty, quality, and value. There is a tendency of some owners and developers in these areas to disregard beauty and quality in construction and a consequent serious danger that construction of inferior quality and appearance in the apartment, commercial, and industrial areas will degrade and depreciate the image, beauty, and reputation of Beverly Hills with adverse consequences for the entire city.</p> <p>Historic/Cultural Landmarks The AC also serves in an advisory capacity to the Council of the preservation of historic and cultural landmarks.</p>	<p>Residential Design Review Beverly Hills residential neighborhoods have traditionally been renowned for their beauty, quality, and value and provide the city's residents with an unparalleled quality of life. The characteristics are the product of generous setbacks, gracious architecture, and careful attention to detail.</p> <p>In the 1980s emerging trends led some owners and developers in residential areas to disregard neighborhood character to maximize development and density. The council finds that this trend has led to homes that greatly overpower the general local "lot to house size" ratio ("mansionization").</p> <p>Mansionization of residential neighborhoods poses a serious danger that such overbuilding will degrade and depreciate the character, image, beauty, and reputation of the City. The bulk and mass of such homes, as well as their general appearances, affect the desirability of residential areas and impair the benefits of occupancy of existing property in such areas. This impairs the stability in value of both improved and unimproved real property in such areas and destroys the proper relationship between the taxable value of real property and the cost of municipal services provided therefor.</p>
Members/ Disciplines	<p><u>7 Members</u>¹:</p> <ol style="list-style-type: none"> 1. Building Construction 2. Architecture 3. Landscape Architecture 4. Visual & Graphic Design 5. 3 Laypersons 	<p><u>5 Members</u>²:</p> <ol style="list-style-type: none"> 1. Licensed Residential Architect. 2. 4 laypersons
Meetings	Afternoons - once per month (Third Wednesday)	Afternoons – Twice per month (second meeting is cancelled each month). (First Thursday)

¹ In the event no person is eligible for appointment in the designated field who is a resident of the city, the council may waive the residency requirement.

² If one qualified residential architect cannot be found, the council may appoint a landscape architect to fill the professional position on the design review commission. In the event no person who is a resident of the city is eligible for appointment in the designated field, the council may waive the residency requirement.

ATTACHMENT 3

REVIEW CRITERIA (FINDINGS):

- **Architectural Commission**
- **Design Review Commission**

ARCHITECTURAL COMMISSION

10-3-3010: CRITERIA:

The architectural commission may approve, approve with conditions, or disapprove the issuance of a building permit in any matter subject to its jurisdiction after consideration of whether the following criteria are complied with:

- A. The plan for the proposed building or structure is in conformity with good taste and good design and, in general, contributes to the image of Beverly Hills as a place of beauty, spaciousness, balance, taste, fitness, broad vistas, and high quality;
- B. The plan for the proposed building or structure indicates the manner in which the structure is reasonably protected against external and internal noise, vibrations, and other factors which may tend to make the environment less desirable;
- C. The proposed building or structure is not, in its exterior design and appearance, of inferior quality such as to cause the nature of the local environment to materially depreciate in appearance and value;
- D. The proposed building or structure is in harmony with the proposed developments on land in the general area, with the general plan for Beverly Hills, and with any precise plans adopted pursuant to the general plan; and
- E. The proposed development is in conformity with the standards of this code and other applicable laws insofar as the location and appearance of the buildings and structures are involved.
- F. In addition to the foregoing criteria, in connection with any application to convert an existing residential apartment building determined by the planning commission to be a "character contributing building" in accordance with section 10-2-707 of this title, the architectural commission shall not approve a renovation to the exterior of a character contributing building unless it makes the following additional finding:
 1. The proposed development is designed in a manner that protects and preserves those exterior elements of the building which the planning commission found contributed to the determination of the project as a "character contributing building" in accordance with section 10-2-707 of this title.

If the criteria set forth in this section are met, the application shall be approved. Conditions may be applied when the proposed building or structure does not comply with such criteria and shall be such as to bring such building or structure into conformity. If an application is disapproved, the architectural commission shall detail in its findings the criterion or criteria that are not met. The action taken by the architectural commission shall be reduced to writing and signed by the chairman, and a copy thereof shall be made available to the applicant upon request.

A decision or order of the architectural commission or the director of planning shall not become effective until the expiration of fourteen (14) calendar days after the date upon which a ruling of the architectural commission or the director of planning has been made.

Nothing required by this article shall be construed to supersede the requirements set forth in chapter 2, article 7 of this title regarding the conversion of the form of ownership of an existing rental apartment building that has been determined by the planning commission to be a "character contributing building" in accordance with section 10-2-707 of this title to a common interest development within the meaning and definitions of that article. (Ord. 1223, eff. 3-1-1966; amd. Ord. 74-O-1511, eff. 4-11-1974; Ord. 06-O-2497, eff. 4-6-2006)

DESIGN REVIEW COMMISSION

10-3-4415: REQUIRED FINDINGS:

The design review commission may approve, approve with conditions, or disapprove the issuance of a building permit in any matter subject to its jurisdiction after considering whether the proposed development complies with the following criteria:

- A. The proposed development's design exhibits an internally compatible design scheme;
- B. The proposed development's design appropriately minimizes the appearance of scale and mass and enhances the garden like quality of the city and appropriately maximizes the use of required open space within the proposed architectural style;
- C. The proposed development will enhance the appearance of the neighborhood;
- D. The proposed development is designed to balance the reasonable expectation of development for the owner with the reasonable expectation of privacy of neighbors; and
- E. The proposed development respects prevailing site design patterns, carefully analyzing the characteristics of the surrounding group of homes, and integrates appropriate features that will ensure harmony between old and new.

If the criteria set forth in this section are met, the application shall be approved. When the proposed development does not comply with the criteria set forth in this section, the reviewing authority may impose such conditions as it deems necessary to bring the proposed development into conformity with the provisions of this article. (Ord. 04-O-2444, eff. 5-21-2004)

ATTACHMENT 4

Matrix Study Analysis (Excerpt)

Note: A full copy of The Matrix Study is available on the City's website at: www.beverlyhills.org/government/comdev

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This is clearly a policy decision that must ultimately be made by the City Council. However, the project team recommends that the City Council simplify and streamline selected land entitlement permits. These recommendations are presented below.

- Sign permits should be delegated to staff as long as these signs meet design guidelines and standards that have been adopted by the Planning Commission and the City Council. This is a common pattern: both the delegation of this authority to staff and the development by staff of design guidelines and standards and their approval by the Planning Commission and City Council. The Architectural Commission should approve (or disapprove) exceptions to these design guidelines and standards.
- All land entitlement permit renewals and extensions, including open air dining should be delegated to staff.
- Lot line adjustments, if a property qualifies for a lot line adjustment by meeting all the zoning requirements, should be delegated to staff.
- Minor accommodations should be delegated to staff.
- Repainting of existing commercial buildings should be delegated to staff.
- Design review for single story residential additions including revisions should be delegated to staff.
- Design review for façade and exterior remodels for single-family homes and commercial buildings including revisions should be delegated to staff.

This authority granted to staff or the Architectural Review Board should include the ability to refer these kinds of applications to the Planning Commission if it is evident the application has high exposure or impact.

Recommendation: Selected aspects of the land entitlement permits and design review permits should be simplified and streamlined.

12. THE DESIGN REVIEW COMMISSION AND THE ARCHITECTURAL COMMISSION SHOULD BE CONSOLIDATED.

Architectural and design review applications comprise a significant amount of the total land entitlement applications processed by the Planning Division. The volume of

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land entitlement permit applications is based upon calendar year 2006. Overall, there were 299 applications. The largest proportion of the applications were Architectural Review Commission (27.4%), Architectural Review Commission Revisions (11.0%), Design Review Commission Review (10.4%), Design Review staff level (13.4%), and R-1 single family review (7.4%). These five types of applications represent 69.6% of all of the land entitlement permits, excluding those permits that would be processed by staff of the Planning Division that would be assigned to the Permit Center.

Almost one-half of the applications require the consideration of the Architectural Review Commission or the Design Review Commission Review. As noted previously, much of the work of these two commissions consists of minor applications such as revised outdoor dining area enclosure, façade remodel, new landscaping and hardscape, exterior remodel, landscaping for condominium building, additions and remodel of an existing single-family residence, façade remodel of an existing two-story single-family residence, etc.

The City has already adopted design guidelines for single-family design. The project team has previously recommended the development of design guidelines for commercial. With the development of commercial design guidelines and the effective application of the existing residential design guidelines, the City should be able to delegate minor design and architectural applications to staff. It is a prevailing and a best practice that, once these residential and commercial design guidelines have been developed, that cities proceed to delegate authority to staff of the Planning Division for approval of minor design and architectural applications. This was the experience in each of the cities included in the comparative survey - Newport Beach, Lake Forest, La

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Quinta, Pasadena, and Santa Monica. In addition, not one of these cities had two commissions to address residential design and commercial design. If these cities had such commissions, the responsibility was consolidated with one commission.

Recommendation: The Architectural Commission and the Design Review Commission be consolidated with five members serving on the consolidated commission.

Recommendation: The consolidated Architectural and Design Review Commission meet twice a month to review and approve / disapprove design and architectural applications not delegated to the staff of the Planning Division.

13. A WRITTEN POLICIES AND PROCEDURES MANUAL SHOULD BE DEVELOPED FOR THE PLANNING DIVISION.

The Planning Division has suffered significant personnel turnover in the previous two years. Residents, commissioners and applicants mentioned the turnover as a significant issue in the focus groups conducted by the project team. This turnover can create significant problems and demands in the training of new staff and in the consistency of service delivery.

The Planning Division should address this problem, in part, by the development of a policy and procedures manual. The policy procedures manual should address such topics as the following:

- Office hours;
- Public relations;
- Ethics;
- A summary of the general plan including relevant policies;
- Permit processing procedures (application submittal, initial review, completeness review, etc. ;
- Environmental review procedures;