

ECONOMIC DEVELOPMENT DIVISION
Office of the City Manager

**CITY OF PASADENA
NOTICE OF REGULAR MEETING
OF THE ECONOMIC DEVELOPMENT AND TECHNOLOGY COMMITTEE
WEDNESDAY, JUNE 5, 2013
CITY HALL**

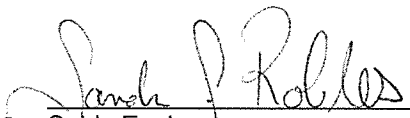
100 NORTH GARFIELD AVENUE-CITY HALL, COUNCIL CONFERENCE ROOM S246

NOTICE IS HEREBY GIVEN that a regular meeting of the Economic Development and Technology Committee will occur on Wednesday, June 5, 2013 at 5:30 p.m., at Pasadena City Hall, Council Conference Room S246, 100 North Garfield Avenue, Pasadena. The meeting agenda follows:

1. ROLL CALL
2. PUBLIC COMMENT
3. NEW BUSINESS
 - A. Review of Matrix Management Study, Planning and Community Development
 - B. Planning Workplan Discussion, Planning and Community Development
 - C. Amendment to inclusionary housing regulations; use of program income for administrative expenditures in connection with the acquisition, preservation and operation of affordable homeownership units
 - D. Consideration of Edtech meeting time /date change to first Monday of each month at 4:00 p.m.

*Attachment

POSTING STATEMENT: I hereby certify that this notice, in its entirety, was posted on the Council Chamber Bulletin Board, Room S249, 100 North Garfield Avenue, and a copy was given to the Main Library for posting on this 30th day of May, 2013, by 5:30 p.m., and that copies hereof were faxed or personally delivered to each member of the City Council and to each local newspaper of general circulation, radio or television station requesting notice in writing all of which recipients are identified on the distribution list set forth herein below.



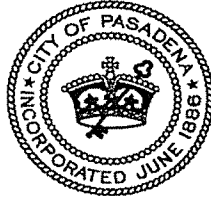
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MEMORANDUM

TO: Economic Development Technology Committee

FROM: Vincent P. Bertoni, AICP, Director of Planning and Community Development Department 

DATE: June 5, 2013

SUBJECT: Matrix Management Study

The Matrix Consulting Group has completed a management study of the City of Pasadena Development Review Process. The study provides a comprehensive look at current practices and procedures and compares these with other government organizations and best practices. The result is a detailed study that provides 260 recommendations that can be utilized to create a more efficient, customer friendly development process. The report also 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 a study of how technology can be used to improve service and efficiencies.

The Matrix Report is attached with a summary overview. Included is the goal statement and key objectives that were developed to assist in selecting which recommendations will be utilized. The summary also outlines four initiative areas: Policy/Process, Technology/Information, Staff Deployment/Training and Administration, where selected recommendations will be directed. An interdepartmental team comprised of Senior staff from affected departments will prepare a Strategic Plan that outlines the selected Matrix recommendations and an implementation schedule. Staff will select and implement procedural and process changes. The City Council will review any proposed changes to Commissions as well as any requiring budget amendments. Staff anticipates that the team will begin meeting in June. The Matrix Report will also be released publicly in June with presentations to various groups including City staff, selected commissions and the City Council occurring in the coming months.

Att:
Overview of Matrix Management Study
Matrix Management Study, December 2012

OVERVIEW OF THE MATRIX MANAGEMENT STUDY: CITY OF PASADENA DEVELOPMENT REVIEW PROCESS

EXECUTIVE SUMMARY

Matrix Consulting Group was contracted by the City of Pasadena to conduct an assessment of the City's development review process. The consultant interviewed staff and community stakeholders (including applicants, commissioners and residents) and examined procedures, staffing levels and service levels to develop an understanding of current conditions. These conditions were then compared to best practices among other government agencies to identify possible impediments and improvements to the development review process. A series of recommendations were compiled for consideration by the City which, if implemented would result in a) streamlined development review process, Commission reviews and internal structures, b) enhanced customer service in the Permit Center, c) expanded use of new technologies and d) clearer long range planning documents.

The Matrix Study provides 260 recommendations; however, the City needs to evaluate which of the recommendations are viable and desirable to accomplish the City's goals. Issues such as feasibility, funding, local priorities, and competing City initiatives, may factor into the decision to implement specific recommendations. The City's Executive Leadership developed a goal statement and key objectives to assist in the selection of Matrix recommendations:

Goal:

Advance the City of Pasadena's reputation of being a model of best practices in the permitting process by promoting a culture of service and being a leader in innovation.

Key Objectives:

1. Remove unnecessary steps from the permit process;
2. Improve communications to create a seamless experience for customers;
3. Eliminate unnecessary duplication of efforts;
4. Make the Permit Center more customer-friendly;
5. Create a parallel Permit Center on-line;
6. Equip staff to be mobile;
7. Expand design guidelines to make outcomes more predictable;
8. Establish metrics to track performance.

STRATEGIC PLAN DEVELOPMENT

An Interdepartmental Review Team (IRT) comprised of Senior staff from affected Departments will review the Matrix Report and create a Strategic Plan. The Plan will include selected recommendations and a suggested schedule for implementation. The process is seen as multi-year effort to reach full implementation of the recommendations.

The work of the IRT will be will be focused on initiatives in the following areas:

- Policy/Process
- Technology/Information
- Staff Deployment/Training
- Administration

The IRT will use the following factors in categorizing the selected recommendations:

Term for Implementation

- Short, Medium, Long

Dependency

- Sequential ordering of actions (does one action precede another?)

Nature of Change

- Cultural/behavioral change
- Technical change (process, procedure)

Cost/Revenues

- Costs to implement and/or maintain
- Potential revenues, future savings

OVERVIEW OF INITIATIVES

I. Policy/Process: This initiative is centered on changes to organizational structure, procedures, and existing policies that affect how services are provided to the community. Matrix recommendations placed in this initiative may affect City staff from various departments, commissions and the community. Policy/Process recommendations include the following characteristics:

- Changes to existing codes;
- Changes to existing application procedures and process;
- Changes related to internal communication and/or interdepartmental teaming.

II. Technology/Information: This initiative focuses on the use of technology to improve efficiencies, customer service, communication and how information is disseminated. The Matrix Report recommends replacing out of date technologies and taking a comprehensive view of how technology should be integrated into Department and City functions. These recommendations will focus on the following areas:

- On-line permitting and development of a virtual Permit Center;
- Property information and the permit tracking system (Tidemark);
- Review and upgrade of the Department website;
- Mobile device implementation for field based positions.

III. Staff Deployment/Training: This initiative is centered on human resources and will be necessary to support a number of the recommendations. These recommendations will support organizational changes and aid staff in being successful at adapting to change. The recommendations in this initiative include:

- Training needs/cross training;
- Moving staff to different work locations to improve efficiency;
- Organizational/reporting changes;
- Reclassification of existing positions;

- Development of new positions.

IV. Administration: This initiative focuses on creating an internal structure to support successful Matrix implementation. These recommendations include changes that will result in updated rules and regulations, metrics for evaluating productivity and performance, and developing a shared vision for the Department. The Administration initiative will focus on changes in the following areas:

- Accountability;
- Performance metrics;
- Progress reports and feedback;
- Proactive study in areas such as policies, procedures, and fees.

IMPLEMENTATION

The final Strategic Plan will be provided to each Department; management within the Department can choose how to utilize the Plan and will select which recommendations to implement. Staff will select and implement recommendations related to process and procedures. The City Council will review changes related to Commissions and those requiring budget approval.

NEXT STEPS

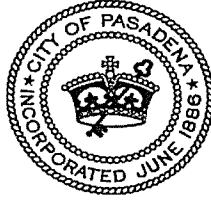
The completion of this work is a high priority for the Department of Planning and Community Development. The next steps in the process include:

June and July 2013

- Kick-off meeting with Interdepartmental Review Team to begin development of the Strategic Plan;
- Matrix Report presentations to City staff;
- Matrix Report presentations to the Design, Historic Preservation and Planning Commissions, and City Council;
- Media/Public release of Matrix Report recommendations.

August 2013

- Presentations to community groups, BIDS, Chamber of Commerce etc.



MEMORANDUM

TO: Economic Development and Technology Committee

FROM: Vincent P. Bertoni, AICP, Director of Planning & Community Development Department

DATE: June 5, 2013

SUBJECT: Planning Workplan

The purpose of this memo is to provide the Economic Development and Technology Committee with information regarding the Planning Division's Workplan. The work of the Planning Division generally falls within three categories:

- The processing of applications and permits that must be processed due to the State mandated Permit Streamlining Act;
- Update/revisions to the General Plan, including the Land Use, Mobility and Housing Elements; and
- Code amendments and other special studies such as the Greenhouse Gas Emissions Inventory.

The priority of the Division is on processing applications/permits because they are subject to the State mandated Permit Streamlining Act, and must be processed. The Division has also dedicated staff resources and given full priority to the update of the City's General Plan. Additionally, because revisions to the City's Housing Element and the Homeless Shelter Code Amendment are also required under State law, dedicated staff have been assigned to work on these projects as well. Projects that are not subject to a State mandate, such as Zoning Code amendments and Green City reports, are assigned staff upon on a priority basis.

Attachment A contains a list of projects which are currently assigned and being worked on, as well as a list of other projects that are awaiting assignment. All assigned projects (except for Recycling Centers and the Transit-Oriented Development code amendment) are either required by State law, nearly done or will take minimal staff resources. The Projects which are awaiting assignment would be assigned upon completion of assignments in process, through re-prioritization of existing assignments, or through the

addition of staff resources. With respect to the recycling center ordinance amendment, because it is not mandated by State law, it is currently being worked on in the order assigned by the City Council and would be completed prior to expiration of the current moratorium. Should the City Council choose to reprioritize the completion of the recycling center ordinance revision, the TOD amendment is one of the work plan items that can be delayed without repercussions from State law.

PLANNING DIVISION WORKPLAN: 2013-14

ASSIGNED PROJECTS

- Lincoln Avenue Specific Plan and EIR (Started: 2010; to be completed: 2013)
- Habitat for Humanity/Desiderio - Code amendment to establish Planned Development (Started: 2011; to be completed: 2014)
- Homeless shelters code amendment (Started 2011, to be completed: 2013)
- Transit-Oriented Development (parking) Revisions - Begin process through the General Plan EIR (Started: 2011, to be completed: 2014)
- Completion of Green House Gas Emissions Inventory (Started: 2011, to be completed: 2013)
- General Plan Land Use and Mobility Elements (Started: 2009; to be completed: 2014)
- Housing Element Revisions (Started: 2013; to be completed: 2014)
- Smartphone Application to allow for tours of Pasadena historic resources (CLG grant) - to be completed: September 2013
- Historic Designed Gardens project (CLG grant) - Modification of Code to permit the review of contributing features of a historic resource (within historic district) that are not visible from a public street to be completed: 2014
- Recycling Centers moratorium approved by Council in 2013 (ordinance revision to be completed prior to expiration of moratorium)
- Implementation of the City's Matrix Management Study of the City's Development Review Process

PROJECTS AWAITING ASSIGNMENT

Zoning Code Amendments (Year Initiated)

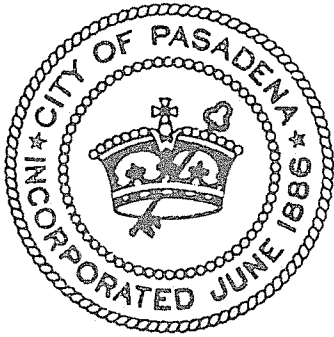
- FAR and basements in hillside districts (2009)
- Upper Hastings Ranch amendment (2009)
- Revisions to the City's second unit ordinance (2010)
- Massage uses amendment (2010)
- Freeway-oriented signs amendment (2010)
- Review drive-through standards and impacts of nonconforming drive-throughs (2012)
- Review alcohol density overlay in Old Pasadena (2012)
- Playhouse District parking credit program expansion (2012)
- Open Space Element - Zone changes and code amendments for implementation (2012)

Specific Plan Amendments

- Update of all specific plans and Zoning Code as a result of the General Plan Land Use and Mobility update

Sustainability

- Climate Action Plan with Environmental Impact Report
- Green City Indicators Report for 2011 and 2012
- Green City Annual Report for 2011 and 2012



Agenda Report

June 10, 2013

TO: Honorable Mayor and City Council

THROUGH: Economic Development and Technology Committee (June 5, 2013)

FROM: Housing Department

SUBJECT: AMENDMENT TO INCLUSIONARY HOUSING REGULATIONS; USE OF PROGRAM INCOME FOR ADMINISTRATIVE EXPENDITURES IN CONNECTION WITH THE ACQUISITION, PRESERVATION AND OPERATION OF AFFORDABLE HOMEOWNERSHIP UNITS

RECOMMENDATION:

It is recommended that the City Council adopt a resolution:

- A. Finding that the proposed amendment to the Inclusionary Housing Regulations is exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15061(b)(3), General Rule; and
- B. Approving the proposed amendment to the Inclusionary Housing Regulations as described in this agenda report.

BACKGROUND

City covenants on affordable homeownership housing units typically contain a provision under which the City has a right of first refusal to purchase the property in the event that the owner desires to resell the property or in the event of a default. The right of first refusal is an important mechanism which enables the City to preserve the covenants and to keep properties within the City's affordable housing inventory. This pertains to housing units for which the City extended homebuyer loan assistance and to housing units that are restricted through the City's Inclusionary and density bonus programs. With the elimination of redevelopment by the State, and annual curtailment in federal HOME entitlement monies, the only primary source of funding currently available to the City to acquire such properties is local Inclusionary Housing funds. The use of these funds are proscribed within the Inclusionary Housing Regulations (the "Regulations"), which were originally adopted by City Council on September 10, 2001 (with

amendments approved in 2003, 2004, 2004 and 2006). The use of Inclusionary Housing funds for acquisition of housing to preserve affordability is an eligible activity under the Regulations.

The most recent Inclusionary Housing-funded acquisition of an affordable deed-restricted property was a condominium unit located at 125 N. Allen Avenue, #317. Under City Council authority on April 16, 2012, the transaction closed on May 24, 2012 and the dwelling unit has been rented to a very low income tenant under the City's Section 8 rental subsidy program. As discussed with the City Council in April 2012, the Housing Department intends to operate and hold the property for a number of years until such time market conditions allow the dwelling unit to be resold at a price which would enable the City to recoup its investment. In the interim, the dwelling unit is retained as affordable housing for very low and low income households paying no more than 30% of their income on rent.

The Housing Department plans to utilize this as a model, acquiring deed-restricted homeownership properties when such opportunities arise. This model is also advantageous in that it can generate a positive cash flow of an estimated \$3,232 in "program income" per unit annually (net of property management fees, operating costs, and replacement reserves). As proposed, these funds can be utilized as an additional revenue source to support Housing Department administration and operations, which in turn may reduce the department's need for City General Fund support. However, while the Regulations enable the use of Inclusionary Housing funds for property acquisition, there is no provision pertaining to Inclusionary program income and the use of such funds. The subject staff recommendation addresses this by way of a proposed amendment to the Regulations.

AMENDMENT TO INCLUSIONARY HOUSING REGULATIONS

As proposed, the City's Inclusionary Housing Regulations, Section VII ("Inclusionary Housing Trust Fund") will be amended to include the following new provisions:

- 1) Definition of "Program Income" as positive cash flow generated from the rental operation of formerly deed-restricted affordable homeownership units that have been acquired by the City with Inclusionary Housing Funds.
- 2) Allowance for Program Income to be used for eligible activities specified in the Regulations, including the support of Housing Department administration and operations.
- 3) Stipulation that use of Program Income for Housing Department administrative and operational support shall be subject to annual budgetary approval of City Council.

COUNCIL POLICY CONSIDERATION

The proposed action supports the following City Council Strategic Objectives: maintain fiscal responsibility and stability, and support and promote the quality of life and the local economy.

ENVIRONMENTAL ANALYSIS

The proposed action is an approval of the Inclusionary Housing Regulations pertaining to the use of program income generated from the operation of acquired affordable housing units and is exempt from CEQA per Section 15061(b)(3) (General Rule).

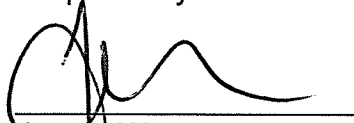
FISCAL IMPACT

While approval of the staff recommendation will have no direct fiscal impact on the City General Fund, the availability of Inclusionary Housing program income as an additional revenue source to support the operations of the Housing Department may reduce the department's need for General Fund support. As part of the City's annual budgeting process, the Housing Department will seek approval of the amount of Inclusionary program income which may be utilized to support department administrative costs.


Respectfully submitted,


William K. Huang,
Housing Director

Prepared by:


James Wong
Senior Project Manager

Approved by:


Michael J. Beck
City Manager