



KAREN BASS

MAYOR OF LOS ANGELES

City of Los Angeles
Mayor Karen Bass

Executive Directive No.4 **Identifying Barriers to** **Small Business Creation,** **Development and Growth**

90-Day Progress Report

Prepared by the Mayor's Office of Business and Economic Development
September 2023

Executive Directive 4

Progress Report

September 2023

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LETTER FROM MAYOR KAREN BASS



KAREN BASS
MAYOR

Dear Angelenos:

On behalf of the City of Los Angeles, I am pleased to announce the release of Executive Directive 4's first Progress Report.

Over 98 percent of all businesses in the City of Los Angeles are classified as small. Even more, small businesses are responsible for nearly 50 percent of all jobs and 63 percent of net new jobs nationwide. To ensure their success and strengthen our local economy as a whole, I directed my Office of Business and Economic Development to work in collaboration with select City Departments to form the Los Angeles Business Steering Committee (LABSC). This committee was instructed to assess current internal processes, timelines, taxes, and fees to help identify barriers to economic development.

Since the signing of this Directive, on June 22 of this year, the LABSC has met to commence this process. It is with great enthusiasm that I present the first progress report detailing the steps the committee has taken thus far. This and future reports will not only focus on recommendations that provide long-term solutions, but also actionable and immediate measures that move with the urgency that this matter merits. Through the policies and administrative measures implemented as a result of this Directive, our City can make improvements to fortify our local economy and reduce barriers to entry for businesses that are looking to open up shop within our City.

This is the first step of many that we will take to ensure the wellbeing, accessibility, and expediency needed for businesses to grow and thrive. Thank you so much for your support as we promote a business friendly ecosystem and work towards driving the City's economic growth forward.

Sincerely,

A handwritten signature in black ink that reads 'Karen Bass'.

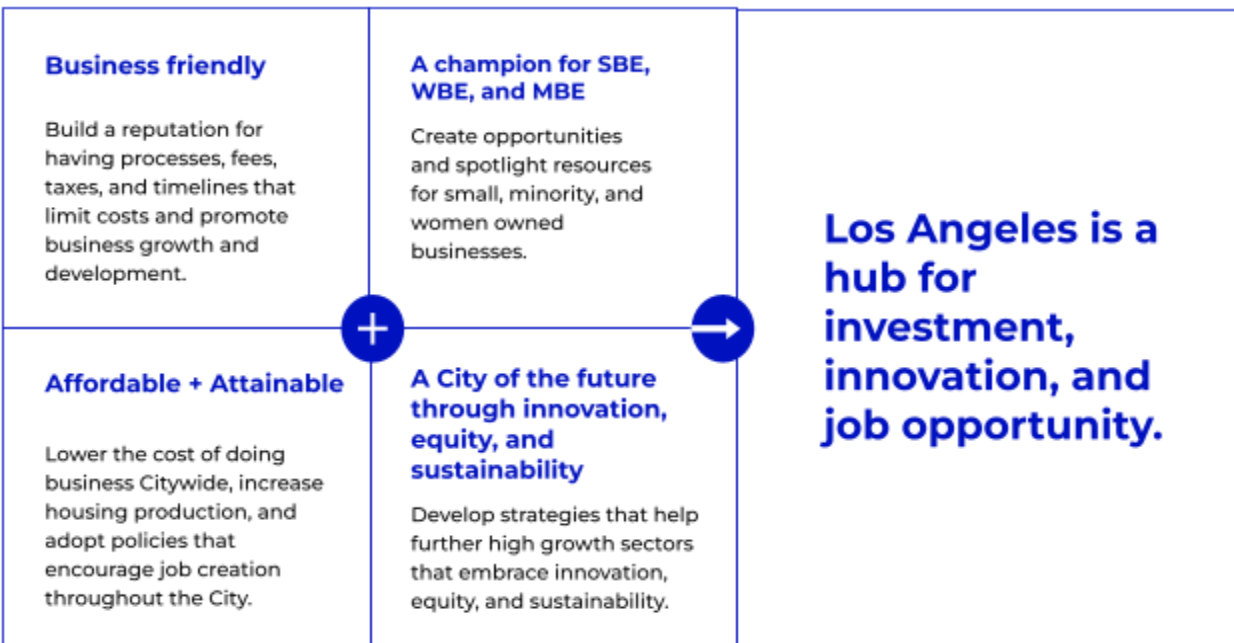
Karen Bass

Mayor of Los Angeles

INTRODUCTION

The City of Los Angeles is a major international hub for business and entrepreneurial activity. It is home to over 470,000 businesses, the majority of which are small businesses that were hit particularly hard by the COVID-19 pandemic. To help these businesses continue to recover, thrive, and strengthen our local economy as a whole, the City is committed to reducing the barriers to small business development and improving the way in which businesses interface with City departments. To underscore this commitment and ensure City Departments share the same vision, Mayor Bass adopted an economic agenda that is centered around four key pillars:

Los Angeles City will be:



Accordingly, on June 22, 2023, Mayor Karen Bass signed Executive Directive 4 (ED4): "*Identifying Barriers to Small Business Creation, Development and Growth.*" This directive calls for a review of burdensome processes and fees that impede small business creation, development and growth in the City of Los Angeles. It established the Los Angeles Business Steering Committee (LABSC), a committee comprised of select City Departments, to oversee and administer ED4's objectives. Departments include the following:

- Mayor's Office of Business and Economic Development

- Office of Finance
- Office of the City Administrative Officer
- Office of the City Controller
- Department of City Planning
- Department of Building and Safety
- Department of Water and Power
- Economic and Workforce Development Department
- Department of Cannabis Regulation
- Department of Public Works (Bureau of Contract Administration, Bureau of Engineering, Bureau of Sanitation, and Bureau of Street Services)
- Fire Department

Together, the LABSC is responsible for identifying barriers to economic development through a series of actions:

- A review of existing business taxes and fees to identify reasonable reductions that can be made to promote business creation and growth;
- An assessment of existing processes and timelines associated with starting a new business, expanding an existing one, and contracting directly or indirectly with the City; and
- A comparative analysis of City taxes and fees to those of other jurisdictions.

In accordance with the Executive Directive, a report was to be issued with initial findings within 90 days. This report highlights the progress made to date.

ED4 ROADMAP

Following the signing of ED4, the Mayor's Office of Business and Economic Development led discussions with the LABSC to strategize a roadmap for accomplishing the goals of ED4. The work under ED4 is segmented into three phases that can be summarized as follows:

Phase 1: Collect Data and Conduct Internal Assessment

This phase is primarily focused on data collection and the establishment of a basis for where the City is and what it aims to accomplish. In recognition of past endeavors and various Council motions aimed at addressing City processes that impact businesses, the LABSC concentrated on consolidating existing initiatives and formulating new strategies to address the generally accepted issues and barriers to businesses creation and growth. To date, this Phase is still in progress and is further detailed in the report.

Phase 2: Collect and Evaluate Stakeholder Feedback

Phase 2 will commence this fall/winter concurrently with the continuation of Phase 1. Through this phase, the LABSC will be working with the Los Angeles City Small Business Commission in partnership with business policy advocacy organizations — including BizFed, the Los Angeles Area Chamber of Commerce, and the Independent Hospitality Coalition — to form the ED4 Community Business Taskforce. The taskforce’s objective will be to collect feedback and testimonials from the business community, assess collected information, create a priority list that advances the principal concerns of the community, and provide suggested solutions. This phase will ensure that the LABSC works in collaboration with businesses to achieve satisfactory results by adopting priorities that are directly aligned with those of the business community, helping to identify any overlooked barriers not addressed in Phase I, and adjusting strategies as needed by responding to continuous feedback provided by the population ED4 seeks to service and support.

Phase 3: Metric Collection and Evaluation

The final phase of ED4 will focus on metric evaluation and the identification of additional barriers impacting businesses. Because early-stage proposed solutions will largely be based on the viewpoints of the LABSC and the Community Business Taskforce, continuous analysis is required to definitively identify the root cause of specific problems and the appropriate measures needed to remedy them. This phase will provide the LABSC the opportunity to test newly implemented strategies and track their impact. LABSC will also work with the business community to follow specific case studies to further evaluate the effectiveness of implemented policies and procedures.



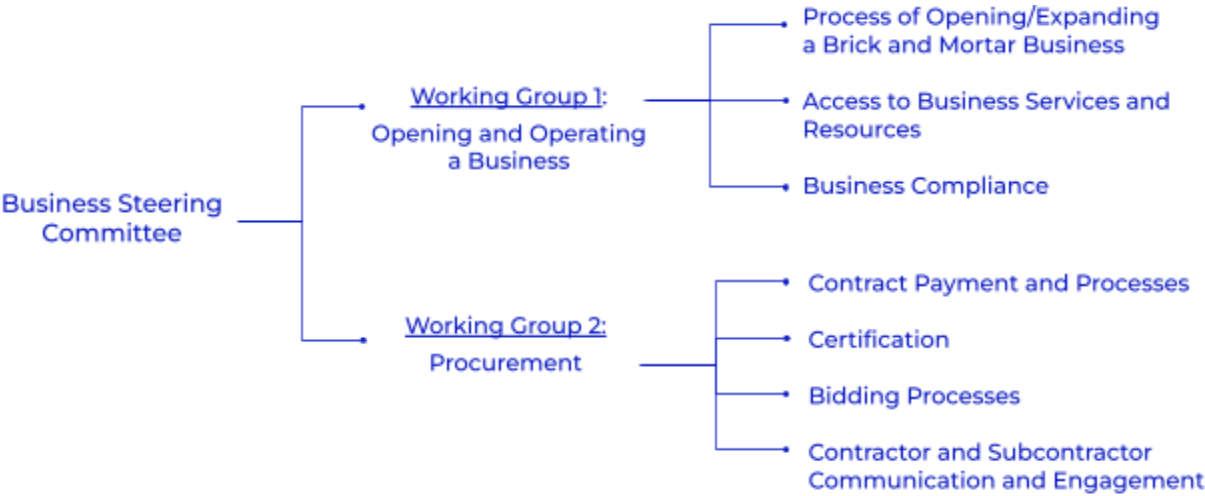
ROADMAP PROGRESS UPDATE

Taxes and Fees

To date, the LABSC has collected all tax and fee rates applicable to businesses in the City of Los Angeles for review and analysis. It has also collected tax rates and select fee rates for various Cities subject to California laws and regulations, controlling for any outliers resulting from State-specific incentives and barriers. Next, the LABSC will complete a comparative analysis of collected information to understand how the City fares in comparison to its neighbors. The LABSC will use initial findings to identify specific rates and fees that require further evaluation.

Processes and Timelines

A list of broad priorities was developed based on historical feedback by the business community. These priorities set forth the basis for topic-focused working groups: 1) opening and operating a business and 2) procurement. Additionally, numerous subtopics, including some not specified in this current report, were identified for each Working Group. Some of these subtopics required the establishment of smaller subgroups with select departments. Working Group 1 will continue to focus on elements that support business creation and operations, including resources and services that help businesses operate, grow, and remain compliant. Working Group 2 will continue to focus on elements that support business inclusion in procurement, including timely payment of contracts, business certifications, bidding processes, and vendor engagement.



A detailed breakdown of all subtopics discussed will be provided in future reports. Below are the primary issues and topics targeted to date.

Working Group 1: Business Creation and Operation

Opening and/or Expanding a business

Starting a business can be challenging as there are countless hurdles a business owner must overcome to open and operate a business, including processes, permits and fees required from all levels of government. This is particularly challenging for small businesses that do not have the capital and resources to acquire the assistance needed to overcome these hurdles. As a result, these businesses are typically most likely to face costly procedural delays when opening a new location, to incur penalties due to late payments, and to be overwhelmed by the myriad of permits and fees required. Working Group 1 seeks to make required changes to help expedite and facilitate business creation.

Subgroup | Al Fresco Transition

During the COVID-19 pandemic, the City enacted temporary local emergency orders that allowed for the establishment of the L.A. Al Fresco program in May 2020. This program authorized restaurants to temporarily utilize sidewalks, private parking lots, street parking spaces, and lane closures for outdoor dining. It also suspended regulations and requirements that would otherwise govern outdoor dining, including zoning regulations, fees, and permitting procedures. This program was set to expire at the end of the local COVID-19 Emergency period, which ended on January 31, 2023. The City must now adopt processes, regulations, and permit fees that allow for the continuance of this program. This subgroup seeks to expedite and streamline the transition process for restaurants that desire to continue to offer Al Fresco outdoor dining.

Subgroup | ADA Compliance Education and Support

Per the Americans with Disabilities Act (ADA), businesses that serve the public must modify policies and practices that discriminate against people with disabilities; comply with accessible design standards when constructing or altering facilities; remove barriers in existing facilities where readily achievable; and provide auxiliary aids and services when needed to ensure effective communication with people who have hearing, vision, or speech impairments. All businesses, even those that do not serve the public, must comply with accessible design standards when constructing or altering facilities. Unfortunately,

many businesses are not familiar with what is required to become compliant, subjecting themselves to costly lawsuits. This Subgroup seeks to help businesses become ADA compliant.

Subgroup | *Streamlining Information to Businesses*

With nearly 40 departments and bureaus in the City, each with its own website, assessing information has become increasingly difficult for businesses. The Mayor's Office is working with the Office of Finance and other departments to streamline information, equipping businesses with the information they need to access services and navigate the City expeditiously.

Working Group 2: Procurement

Subgroup | *Expediting Payment of Invoices*

According to the City's Controller's Office, the City paid over 100,700 vendors in FY 2022-2023 with payments totaling approximately \$7.67 Billion — approximately \$4.5 Billion of which is estimated to be strictly for invoices connected to procurement opportunities. Of the payments issued, 9.92% of these payments were issued late — 30 days or more past the date of invoice issuance. This causes a problem for businesses that do not have cash reserves to draw upon to maintain cash flow and sustain their business operations. As a result, many businesses in the City, 99% of which are classified small, are reluctant to bid for City contracting opportunities. It is therefore the goal of this Working Group to expedite invoice payments to ensure small business inclusion and participation.

Subgroup | *Certification*

The City of Los Angeles promotes opportunities for small, diverse, and local businesses through its Certification program. The City's Bureau of Contract Administration (BCA) ensures compliance with Federal, State, and local eligibility requirements to validate the ownership, control and/or annual revenues, and/or location of a business. This validation process ensures a level playing field for those businesses who seek to take advantage of various programs when competing for City contracting or subcontracting opportunities. Through ED4, BCA aims to reduce queues, adopt citywide standardized certification processes, and increase constituent resource accessibility and education.

HIGHLIGHTS

Helping Business Open and Expand in the City

✓ **Departmental Action Plans**

Departments created individual action plans to address process delays within their respective departments. These plans include commitments to streamline processes, adopt time reduction related goals, expand greater coordination with businesses, increase access to information and education, integrate new technologies, shorten processing times, provide early feedback, and much more. Action plans are further detailed in this report by each department.

✓ **Bolster Early Engagement**

Providing pre-submission plan check support is proven to help expedite permitting processes. The LABSC is working to bolster education and early engagement by 1) increasing accessibility to departments through the use of in-person and virtual counters, 2) promoting and expanding pre-plan submission consultation, and 3) streamlining access to customer support.

Early commitments include the following:

- *Departments from LABSC have committed to offering virtual counter services by December 1, 2023.*
- *Consistent with the Department of City Planning and Department of Building & Safety, the City's Department of Water and Power, with Commission approval, will also establish an in-person counter.*

The Mayor's Office will also work with Departments to promote consultation services and create a virtual library of recorded workshops that businesses can refer to throughout the year for guidance.

✓ **Streamline Access to Information and Education**

Navigating the City should not be difficult. In coordination with the City's Information Technology Agency (ITA) and Office of Finance, the Mayor's Office will create a "Business Navigator" that will serve as a centralized hub within the City's Business Portal — business.lacity.org — that will equip businesses with the information and direction needed to navigate the City expeditiously.

✓ **Technology Integration to Advance Coordination and Transparency**

Consistent with ED4, the Department of Building & Safety will create the "Los

Angeles Permit System,” a platform that will house all data relating to projects, including clearances and code enforcement cases. This portal will replace a 30 year-old permit system that has become outdated with a single permitting system that encompasses all development services departments. It will ensure coordination between departments, streamline the City’s permitting process, and provide transparency to constituents. This platform will cost approximately \$30 million to complete. A Request for Proposal (RFP) has been released and awarded. It is currently under contract negotiations.

The City will also expand the capabilities of BuildLA, the City’s shared platform for development services, to improve consumer engagement, increase interdepartmental coordination and ensure alignment with the needs of businesses and developers.

Improving Taxpayer Engagement and Experience

✓ Office of Finance Strategic Plan

In alignment with ED4, the City’s Office of Finance adopted a Strategic Plan. This strategic plan will review outdated sections or recurring issues within Los Angeles Municipal Code — including the City’s Tax Ordinances that cover business taxes in Article 1. Additionally, the Plan aims to identify opportunities and challenges facing the organization, and possible solutions for improvement and progress. Plan objectives include the following:

- Improvement of Business Tax customer experience and delivery of services by adopting updated processes
- Deployment of new integrated technology systems to improve efficiency and usability
- Improvement of taxpayer online user experience and data security
- Implementation of standardized collection and revenue management protocols
- Development of an informed, versatile and cross-trained staff to improve efficiency and knowledge transfer

Commitment to Work in Partnership with the Business Community

✓ ED4 Community Business Taskforce

The LABSC will work with the Los Angeles City Small Business Commission in partnership with business policy advocacy organizations to form the ED4 Community Business Taskforce. The taskforce will gather feedback from the

business community and work with the LABSC to advance the community's priorities.

✓ **Small Business Cabinet**

To help direct the Mayor's agenda and ensure that small businesses have influence over the priorities and solutions needed to support their growth, the Mayor established the Small Business Cabinet through ED4. This cabinet will be made up of senior small business industry leaders in Los Angeles. It will begin meeting by October of 2023.

Building Business Inclusion in Procurement

✓ **Address Certification Backlog**

The City's Bureau of Contract Administration (BCA) produced strategies to help eliminate business certification backlog and expedite certification processes. In the first 90 days, BCA focused on reducing its backlog of Local Business Enterprise (LBE) applications, and was able to eliminate *all* requests that were over 30 days past their original submission. BCA's aim is to maintain a goal of processing LBE applications within 30 days. The Bureau will also work towards reducing its backlog for other types of certifications.

✓ **Expedite Contract Payments**

Departments adopted preliminary short-term solutions for expediting contract payments, including commitments to implement certain strategies by December 1st of this year. They include the following:

- New practices that support vendor education prior to contract submission, including adoption of tutorials, sample invoices/templates, and checklists
- Adoption of one centralized portal and entry point for invoice submission to ensure visibility of invoices and facilitate tracking
- Training modules and pilot training bootcamps for staff
- Segmented time commitments by reviewing division
- Provision of clear designation of responsibilities to staff
- Adoptions of standardized and simplified invoice review and approval processes for each department

✓ **Technology Utilization to Expedite Payments**

The City's Office of Procurement is working to centralize and digitize the City's invoicing process. This new system will reduce the likelihood of errors and discrepancies in invoicing, tracking the status of invoices and payment requests, and ensuring accurate record-keeping. Additionally, this will hold the

City to a higher standard of service to its stakeholders, allow for more transparency in government processing of payments, and provide the added benefit of assisting City vendors with regulations and audit requirements.

Departments have also committed to report monthly metrics and track individual cases that become overdue. Additional strategies are being discussed at this time. They will be shared in future reports.

TAXES AND FEES

To understand the cost of operating a business in the City, the Mayor's Office of Business and Economic Development (MOBED), in collaboration with the Office of Finance, compiled a comprehensive list of taxes and fees required by the City. The data collected will be compared to tax and fee rates, including any corresponding incentives and exemptions, required by other jurisdictions.

TAX EXEMPTIONS

The City of Los Angeles provides the following tax exemptions:

- Small Business Tax Exemption exempts businesses with gross receipts under \$100,000 from paying business taxes.
- Creative Artists Exemption applies to registered, individual "creative artists" who generate up to \$300,000 in total taxable and non-taxable in-City and out-of-the-City gross receipts attributable to their qualifying "creative activities."

Also exempted from paying City business taxes are the following:

- Airlines-passenger / interstate air freight for businesses that deal in air commerce, which includes the transportation of passengers or property only
- Constitutionally exempt businesses, such as state government institutions
- State colleges and state universities
- Court reporting / transcribing services performed under the control of a court of competent jurisdiction are treated like employees of the court
- Non-profit businesses that qualify for 501C3 exemptions with the Federal and State governments
- Exemptions under [LAMC Section 21.194](#), Transporting Persons For Hire
- Exemption under [LAMC Section 21.195](#), Trucking and Hauling for certain categories
- Financial Institutions (Banks, Savings/Loans, etc.) for which "in lieu" taxes are paid to the State of California

- Credit Unions
- Governmental Agencies while carrying out governmental affairs
- Insurance agents receiving a notice of appointment from insurance companies that pay “in lieu” taxes to the State of California (does not include insurance brokers)
- Insurers – activities for which “in lieu” taxes are paid to the State of California
- No nexus businesses – businesses with a physical presence within the City of Los Angeles limited to six (6) or less days per calendar year
- Notaries public
- Persons who rent three (3) or fewer residential rental units
- Real estate agent (does not include real estate brokers) - exemption under [LAMC Section 21.49](#)
- Religious leaders in their religious capacity
- Residential care facility for the elderly, which serves six or fewer residents
- Residential family day care for children
- Licensed bail bond agents/companies

Tax Exemptions provided by other Cities

In examining ten different Cities in the State, the LABSC found the following Cities to provide business tax exemptions:

San Francisco City/County

Small businesses are exempt from payment of the gross receipts tax if their taxable gross receipts are within the “small business enterprise thresholds” of \$2,000,000 of combined gross receipts within the City. The small business exemption threshold for the Commercial Rents Tax is \$2,000,000 in combined San Francisco gross receipts from all business activities (not just receipts from the lease of commercial space.) However, small businesses are still required to register with the city and pay an annual license registration renewal fee if they have gross receipts of \$500,000 or more, or employees working within the city for more than seven days.

City of Santa Monica

Exemption is provided to small businesses that earn less than \$40,000 in worldwide gross receipts in a calendar year. Excludes corporate headquarters or administrative offices that do not generate gross receipts; Taxicabs and delivery/pickup services; and businesses not located in Santa Monica.

City of San Diego

Business Tax exemption is provided to bail bond agents, banks and financial institutions, blind persons, board and care/nursing home, charitable institutions and non-profit organizations, for-hire motor carrier of property, family daycare provider, insurance broker-agents, limited duration activities, real estate auctioneer, religious leaders, and veterans.

City of Long Beach

The City of Long Beach offers business license tax exemptions for non-profit organizations and disabled veterans.

While the City of Los Angeles offers competitive tax exemptions in comparison to other Cities analyzed for this assessment, it is important to note that not all Cities charge a gross receipt tax (i.e. Burbank, Glendale, etc.) or a business tax. Likewise, there are many Cities that do not provide any exemptions. Further assessment of taxes is required at this time.

TAX AND FEES COMPARATIVE ANALYSIS

Every person who engages in any business within the City of Los Angeles is required to obtain the necessary Tax Registration Certificate(s) and make payment of the business tax. Most business taxes are based on gross receipts. For those Business Tax Classifications, the tax rate is a specified amount per \$1,000 of taxable gross receipts for each tax classification. Some business taxes are based on a flat rate per tax period and others are based on the number of vehicles, machines, devices or equipment used, the number of employees, square footage of the area, seating capacity, or the scale of fees collected.

To date, the LABSC has collected all tax and fee rates applicable to businesses in the City of Los Angeles for review and analysis. It has also collected tax rates and select fee rates for various Cities subject to California laws and regulations, controlling for any outliers resulting from State-specific incentives and barriers. Next, the LABSC will complete a comparative analysis of collected information to understand how City taxes compare to those of other Cities. The LABSC will use initial findings from this analysis to identify specific rates and fees that require further evaluation.

PROCESSES AND TIMELINES

Identified Processes for Evaluation

As noted under the “Roadmap Progress Update” section of this report, an initial examination of processes identified potential broad areas of concerns. They have been divided into two different working groups: 1) opening and operating a business and 2) procurement. Additionally, numerous subtopics were identified for each Working Group.

Working Group 1: Opening and Operating a Business

- Expedite process of opening and/or expanding a brick and mortar business, including development of commercial space(s).

- Improve technology that will allow for enhanced business engagement and experience.
- Streamline access to resources and services to ensure businesses are equipped with the knowledge required to launch, grow and thrive.
- Facilitate business compliance to help reduce late fees and penalties.

Working Group 2: Procurement

- Expedite payment of contract invoices to ensure businesses have the required cash flow to sustain themselves.
- Provide timely business certifications that help strengthen bid submissions.
- Simplify bidding processes where possible to encourage business participation.
- Standardize the process of communication and engagement with bidders to reduce confusion.

To date, the Mayor’s Office has hosted biweekly meetings with each Working Group to discuss “opening or expanding a business” and “expediting payments to businesses contracting with the City.”

OPENING OR EXPANDING A BUSINESS

Entrepreneurs are often overwhelmed with processes, permits and fees when seeking to open and/or expand a brick and mortar business. This is particularly challenging for small businesses that do not have capital and resources to attain the assistance they need to overcome such hurdles. Each day a business must wait for approvals, inspections, utilities activation, and other requirements needed to become operational turns into a cost to the business. As a result, business owners that face procedural delays when opening a new location can be negatively impacted before even launching their business.

Through Working Group 1, potential strategies for improving and expediting the process of opening and/or expanding a business were identified:

- Adoption of departmental strategic action plans. Departments in the LASBC produced individual strategic plans for their department. These plans include commitments to streamline processes, adopt time-related goals, expand greater coordination with businesses, increase business education prior to plan check, reassess and expand online applications, shorten processing times, provide early feedback, and much more. A detailed plan for each department is outlined in the next section of this report.

- [Enhancement of interdepartmental communication and collaboration.](#) Many delays can be attributed to departments historically operating independently. Greater collaboration and communication will lead to improved consumer experience, less confusion, and an efficient system. There have been ongoing efforts to address this issue, including BuildLA, a new shared platform for development services that is currently underway. The LABSC is working to identify how to best drive solutions through BuildLA that can support the goals of ED4 and enhance the overall consumer experience. Additional solutions identified include the adoption of an inter-agency performance management liaison network and shared tracking systems, one of which will be the “Los Angeles Permit System.” This system will allow for all departments and constituents to track projects, including clearances and code enforcement cases.
- [Provide expanded access to departments throughout the permitting process.](#) In addition to amplifying pre-submission consultation for businesses and expanding current programs that provide case management support, departments will also offer virtual counter appointments. As a result of ED4, all departments under the LABSC will offer virtual counter consultation services by December 1, 2023. Also, consistent with the Department of City Planning and Department of Building & Safety, the City’s Department of Water and Power will also provide in-person over the counter services and consultation pending approval from its Commission.
- [Create parallel routes of plan checks.](#) The current plan check and inspection system is linear, in which businesses interact with one department at a time. While it is beneficial for businesses to have a single point of entry, such a system can often be inefficient and create unexpected delays. The LABSC is working with the Departments to explore a parallel plan check processing system that will allow for faster processing times.
- [Streamline Access to Information and Education.](#) Businesses have shared the difficulty of navigating the City. With 40 departments and bureaus, all with their own website, it has become increasingly laborious for businesses to access the information they are looking for. Despite the City offering pre-submission consultation services for businesses prior to plan check submission, for instance, many are not familiar with these services. As such, in coordination with the City’s Information Technology Agency (ITA) and Office of Finance, the Mayor’s Office will create a “Business Navigator,” a centralized hub within the City’s Business Portal — business.lacity.org — to equip businesses with the information needed to navigate the City expeditiously.

DEPARTMENTAL STRATEGIC ACTION PLANS FOR EXPEDITING PROCESS OF OPENING AND/OR EXPANDING A BUSINESS

DEPARTMENT OF BUILDING AND SAFETY

The Los Angeles Department of Building and Safety (LADBS) is a City of Los Angeles department responsible for approving and inspecting all new construction, additions or alterations to buildings within the city's 473-square mile boundary.

LADBS has identified the following processes or enhancements to existing processes which are in line with the intent of ED4 and can assist small businesses in the City:

- Expand the Department's Zoning Review Section to include review of Small Business projects before the end of the calendar year.
- Expand Support for the Restaurant and Small Business Express Program (RSBEP) by assigning additional case managers to help small businesses. One additional case manager was hired in August 2023. Additional case managers will be assigned in the next calendar year.
- Explore the possibility of early issuance of Select Clearance Summary Worksheet for plans submitted to the department, decreasing wait time by several weeks depending on the size of the project.

Program Expansion

Expand Zoning Review Section

Identified Issue:

The City's Zoning Code is continuously expanding. Its voluminous regulations have evolved to require assistance by subject matter experts. The plan check engineers are charged with applying State Building Code, but applying such a mix of regulations is not feasible for plan check engineers to adequately perform their critical functions. To better and more efficiently process projects throughout the city, LADBS proposed to assign a set of individuals to learn, interpret and apply the City's extensive Zoning Code.

Goal: To streamline the zoning plan review approval process with dedicated subject matter experts.

Action Plan:

To simplify the intricacies of the plan review process, LADBS established a dedicated unit solely to perform "zoning review". This unit is trained on the extensive and complex regulations established under the Los Angeles Municipal Zoning Code. The zoning review process is expected to streamline

the in-house expertise in zoning code and provide consistency in the plan check through additional training.

The roll out of this unit was designed in three phases. In line with ED4, Phase 2 includes the launch of the Zoning Review Section **to include small business projects**. This Zoning Review Section consists of Architects and Architectural Associates dedicated to zoning review.

Timeline:



Enhance Support

Expand the Restaurant and Small Business Express Program (RSBEP)

Identified Issue: LADBS' Restaurant & Small Business Express Program (RSBEP) helps facilitate the approval process for all restaurants and other small businesses such as retail shops, barber shops, nail salons, etc. throughout the city. With the post Covid recovery, LADBS has experienced an increase in demand for case management to assist LA businesses through the permit navigation process. This demand has increased by 16% in monthly workload from FY19-20 to FY 22-23.

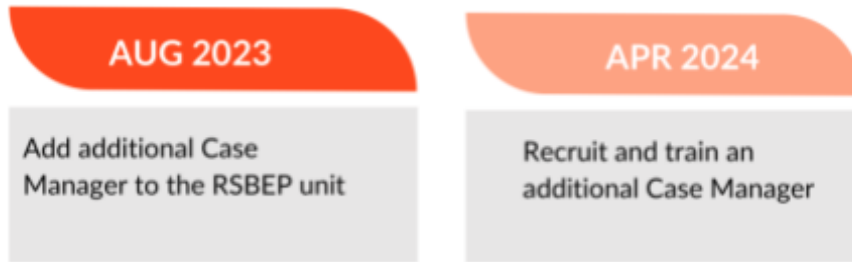
Goal: To address the demand for DBS to assist in the developmental and approval process of projects for small businesses.

Action Plan:

To help alleviate the RSBEP service demand, LADBS proposed to grow the case management support with additional experienced inspection staff to assist in the coordination of projects. LADBS has recently added a case manager and is planning for additional support to further assist small businesses with coordination across the development process, from preliminary development, to permitting, to inspection. The added case managers will help small business acquire the following:

- Approvals to help their business open in a timely manner
- Access to streamlined approval process

Timeline:



Process Improvement

POTENTIAL PILOT UNDER CONSIDERATION: Early Issuance of Clearance Summary Worksheet

Identified Issue: Currently, clearance summary worksheets are issued after plan review and at the same time plan corrections are provided. This process may take up to several weeks depending on the size of the project.

Goal: To reduce clearance approval time on projects for small business customers.

Improvement Action:

LADBS proposes to **pilot** the issuance of an early clearance summary worksheet for plans submitted to the department. This will include the following three types of clearances: disabled access, public works-sewer availability and fire department approval. The department proposes to implement this procedural enhancement where applicable and subject to adjustments, depending on the project.

DEPARTMENT OF CITY PLANNING

City Planning reviews project applications, processing entitlements and approvals to ensure that future decisions about development are aligned with the City’s land use policies and proposed land use regulations. City Planning is also responsible for administering the Zoning Code, promoting urban design principles, and managing the City’s historic resources. From overseeing the long-range planning efforts to managing the environmental review of projects, City Planning’s work has a lasting impact on Los Angeles. By building consensus and setting a clear citywide vision, City Planning balances the diverse needs of Los Angeles’s communities.

As the local agency primarily responsible for the collaborative development and implementation of long-range land use plans, City Planning serves, through its review procedures, businesses that are all primarily place-based. Some examples

include supermarkets, sit-down restaurants and cafes, hotels, childcare facilities, retail stores, hospitals, and schools.

Actions Taken to Expedite Processes and Support Businesses

Over the past eight years, City Planning has undertaken a monumental expansion of development services to businesses in the City. What started as a modest public counter operation for general inquiries, application filing appointments, and permit clearances, eventually developed into specialized services catering to restaurants, markets, wireless carriers, projects in Redevelopment Plan areas, and additional specialized support in Case Management — at multiple public counter locations and online.

In addition, since the start of the COVID-19 pandemic, City Planning has increased digital access to Department services by using the BuildLA appointment system, the City Planning website, and ZIMAS — City Planning’s virtual mapping tool identifying parcel-specific information on a host of issues, including [geographically-based economic incentive programs](#). City Planning estimates that in 2023, 88 percent of its services were provided virtually and just 12 percent were provided in-person. Most services that were previously only available in-person became accessible to more people and businesses by harnessing these digital tools.

Expanding and Streamlining Services

City Planning looks forward to continuing the work of expanding and streamlining services to small and new businesses, paving the way for minority businesses, women, and microenterprises. Through ED 4, City Planning will aim to enhance virtual services, increase language access, and simplify compliance procedures. Further, City Planning anticipates that as services improve, more businesses will thrive in the City.

City Planning has identified two main pillars within a framework for implementing ED 4: (1) enhancing access to services, and (2) simplifying procedures. “Enhancing access to services” addresses what City Planning can do to help business owners and operators navigate through approval processes. “Simplifying procedures” addresses ways that procedures themselves may be refined in order to make navigating through them easier. The issues, goals, and next steps within this framework interact with each other and should be considered together when evaluating approaches to improving services to small businesses.

Language Access

Issue Identified: More than 200 languages are spoken in the Los Angeles area, and over a half million immigrant City residents, many of whom are business

operators, speak a language other than English as their primary language. Many of the City's services are offered only in English.

Goal: In order to provide culturally relevant services to immigrant speakers of a primary language other than English, City Planning is preparing a language access plan to identify the services that can and should be offered in languages other than English and which languages those services should apply, including Spanish, Korean, Mandarin, Armenian, Farsi, and many more where applicable. The Department will prioritize staffing these services with speakers of the target languages.

Action Plan: Survey and assess existing and proposed resources and forms of communication within key programs aimed at servicing businesses, including the Al Fresco Program, the Restaurant Beverage Program, and the proposed Small Business Entitlement Review Program. Augment resources and services to be available within the appropriate languages.

Navigating Virtual Services

Issue Identified: Since the beginning of the COVID-19 pandemic, the Department has augmented its services to provide virtual meetings, pre-application filings, post-approval clearances, and payments through City Planning's Online Application System and the Citywide BuildLA online appointment system. In addition, City Planning offers more tools than ever in a virtual, online format, including new features on ZIMAS and new resource page enhancements on the Department's website. As the catalog of virtual services and tools expands to include online case filings, so do the possibilities of getting lost among them.

Goal: Develop simple-to-navigate, integrated, virtual platforms that can accommodate a wide range of services, including application filing requests for all types of projects.

Action Plan: Launch online services that accommodate application filings for more types of projects, including markets, restaurants, cafes, retail stores, childcare facilities, and entertainment centers. Integrate the various virtual platforms that City Planning uses to ease communication among systems, staff, and departments. Monitor and evaluate user experiences, and make improvements based on feedback from users. Further expand the mapping of economic development zones on ZIMAS. [See the City Planning Economic Development Zone map.](#)

Navigating In-Person Services

Issue Identified: Although City Planning’s focus on developing online services over the past several years has made access to City Planning services more attainable to more people, many business operators continue to require or desire in-person services. As new programs — such as AI Fresco, the Restaurant Beverage Program (RBP) and the Entitlement Review Program — get launched and grow, in-person services will continue to be a key component of how these programs get implemented.

Goal: Offer in-person services for consultations, application filings, and permit clearances for existing and new programs where appropriate.

Action Plan: Assess in-person services among City Planning’s business-oriented programs at the Development Services Center to identify where additional in-person services can be implemented and how the availability of in-person services can better be communicated to business operators.

Simplifying Procedures

Implement the AI Fresco Program

Issue Identified: The City of Los Angeles allowed a relaxation of outdoor dining rules through the LA AI Fresco program on private property, temporarily authorized under the COVID-19 emergency declaration. Although the program has been popular among restaurateurs and their patrons, the program is set to expire. In response to City Council instructions, City Planning is preparing an ordinance along with an implementation plan that would codify permanent AI Fresco style outdoor dining rules.

Goal: Establish an operable and streamlined inter-departmental AI Fresco program implementation procedure, in collaboration with the Department of Building and Safety (DBS), the Department of Transportation (DOT), and the Bureau of Engineering (BOE).

Action Plan: Collaborate with DBS, DOT, and BOE to prepare a workflow from application to operation, identifying steps, responsible parties, timelines and fees. Develop virtual and in-person services and resources, and ensure that the program is properly staffed.

Optimize the Restaurant Beverage Program

Issue Identified: The Restaurant Beverage Program (RBP) supports local, economic growth by allowing qualifying sit-down restaurants requesting to serve alcohol to proceed through a streamlined approval process in areas approved by City Council through resolution authority. The program reduces processing times and significantly lowers costs to business owners. Since the Restaurant Beverage Program went into effect on March 31, 2022, eligible areas have been established throughout most of the City ([see the Restaurant Beverage Program map](#)). Moreover, 175 RBP clearances have been filed, and 102 have been completed since the program went into effect. Although the program has been popular in the areas where it has been established, concerns around language access, displacement of small businesses, and unclear site eligibility persist.

Goal: Provide clear RBP eligibility information, services and resources in English and in target languages other than English.

Action Plan: Plug into City Planning’s language access plan to expand services and resources in languages other than English. Additionally, work with internal teams and with City Council offices early in the boundary-setting process for the adoption of new RBP resolutions.

Launch Small Business Entitlement Review Services

Issue Identified: Over the past decade, City Planning has successfully developed and implemented processes and procedures that have streamlined land use approvals for housing. City Planning developed new application screening and review services and resources to ensure that applications are complete and that zoning issues are addressed upfront and would not result in “late hits” that could cause a project to start over. Services for housing were also staffed appropriately, and City Planning developed closer and more collaborative relationships with DBS and other City agencies. As a result, City Planning has been able to be responsive to housing streamlining mandates such as Executive Directive 1, help shorten review times for all housing projects, and ensure a smooth path forward toward operation. The successful implementation of processes and procedures to support the development of housing has provided a way for the City to realize its plans for housing.

However, pre-application screening and zoning assessment services are not available to all types of projects — especially some that typically would be served most by closer collaboration with the City before an application is filed. This includes a variety of small retail businesses, restaurants and cafes,

markets, and childcare facilities, just to name a few. Without the appropriate services and resources, application times to completion continue to lag behind housing approvals and get stuck with zoning and land use compliance complications late in the permitting process.

Goal: Promote business activity, reduce processing times and minimize “late hits” by establishing and maintaining a formal entitlement pre-check and application pre-screening service for small businesses.

Action Plan: Define a new process roadmap for small businesses. Identify desired public-facing and internal resources, timelines for developing the program, and collaborators within the City and in the business community. Provide staff to support the launch of a pilot program.

FIRE DEPARTMENT

The Fire Department reviews building and tenant improvement plans to ensure compliance with the Los Angeles Fire Code and with relevant sections of the Building Code and the Health & Safety code. The Fire Department also reviews proposed development for impact to the Public Safety portion of the City’s General Plan.

Fire Department reviews include, site review to assess the adequacy of water supply in the event of fire, plan check to ensure all required fire protection systems are planned for and designed properly, field construction-phase inspections to ensure that all systems are installed according to the approved plan, and, maintenance inspections to ensure that all systems are maintained in accordance with the Code.

Actions Taken to Expedite Processes and Support Businesses

The Fire Department continually seeks and pilots new ideas to improve services to the business community. The lockdown of its offices at the start of the COVID-19 pandemic necessitated an immediate change from in-person customer interaction to on-line interactions. As the Department’s offices began to reopen, they modified operations to continue in-person consultation for smaller projects and implemented an appointment system to reduce the number of people in the waiting room at any one time.

The Department recently added a requirement on the Job Card for an inspection by a Fire Inspector that must occur while the project is in the framing stage. This new inspection allows the Inspector to identify issues and offer suggestions for correction at a point in construction where corrections can be made easily.

A recent change in the plan check process saves time for developers. The Fire Department now allows for conditional approval for hydrants pending DWP payment. This procedural change enables the permit to be ready to issue, which allows LADBS plan check to be completed and approved without paying DWP for hydrant installation. Payment has to be made prior to the time a permit is issued.

Expanding and Streamlining Services

The Fire Department is piloting new services to see if those services will improve efficiencies for developers and for the Fire Prevention Bureau. The new services are focused on guiding customers through the entire process, from Environmental Impact Report to Certificate of Occupancy.

Preliminary Review and Case Management

Issue Identified: As the City continues to recover from the COVID-19 pandemic, architects and contractors who are not familiar with the specifics of the codes and ordinances that are unique to Los Angeles become frustrated when plans they used in the past and were approved in other jurisdictions are returned time and time again for necessary corrections.

Goal: Develop a preliminary review and case management program. This service involves a preliminary assessment of development plans and cases. Architectural consultants are provided guidance and coordination to ensure that submitted plans meet initial requirements and standards.

Action Plan: Identify those people (Fire Protection Engineering Associate and/or Fire Inspector) within the Fire Development Services Section who have exceptional customer service skills and knowledge of the relevant codes and of the permit processes to work with select architects/contractors/developers who seem to be having a hard time navigating the City's rules. Manage workload among the others in the case managers classification to allow the case manager time to work with the customer. Measure time to completion of each step in the process to determine the efficacy of the program. If the program meets and/or exceeds expectations, it can potentially evolve into a concierge service program.

Expedite (Off-Hour) Plan Review

Issue Identified: Many customers request that the Fire Department move their project to the front of the line because they are on a tight deadline. When the Fire Department offers expedited service, the customer usually declines, citing the high cost of expedited permits. The Fire Department's

expedited service offers the option to expedite plan reviews during off-hours, possibly for larger projects requiring quick turnaround or urgent attention. This premium service has a charge of \$480 and is not based on a percentage of the value of the project. Often, once the customer is aware of the charge, the customer opts to use the service.

Goal: Ensure that the \$480 fee for off-hour review is made clear to customers who need expedited service.

Action Plan: Identify all sites that publish Department fees and clarify the usage of a flat-rate fee instead of a percentage of the project value. Track the number of customers requesting off-hours review on their own. Compare review times between off-hours and regular review queues. Consider adjusting the fee based on “congestion pricing,” if the program becomes too popular.

Inspection Job Walks and Job Meetings

Issue Identified: Customers often do not call for a Fire Inspection until the project is ready for the final walkthrough. If the Fire Inspector identifies issues requiring correction, the customer endures lengthy delays and costly repairs to make the corrections. Additionally, the customer is charged for the inspection and the resultant reinspection(s).

Goal: Encourage customers to take advantage of inspection job walks and job meetings as a no-cost service to save time and money.

Action Plan: Identify any site or publication that discusses the building permit process, and ensure that the Department’s Job Walk and Job Meeting programs are well publicized. Compare the number of issues identified on inspections, construction costs to make corrections and time to project completion for projects that used the service against those that did not. Track the number of projects that request the service.

Concierge Service (Proposed and Under Consideration)

Issue Identified: Developers, particularly those who have not worked in Los Angeles, are often surprised by the complexity of systems required under different conditions. Eventually, as their plans are repeatedly returned for corrections or multiple issues requiring correction are identified, the customer becomes frustrated and is left to feel that the City is not a good place to do business. The Fire Department believes that many of the issues that lead to

the frustration can be resolved by assigning a “concierge” to the customer and maintaining contact with the customer throughout the development process.

Goal: Pilot a concierge program to test for effectiveness and customer satisfaction.

Action Plan: Request a Fire Inspector II authority and a Fire Protection Engineer authority in the FY 24-25 budget. Develop a fee structure for the program. Develop an operating procedure for the program. Develop metrics to assess the efficacy of the program and to suggest program changes. Scale the program to meet the needs of the development community.

DEPARTMENT OF PUBLIC WORKS | BUREAU OF CONTRACT ADMINISTRATION

Ensuring the safety of the public, businesses, and employees is the priority for the Bureau of Contract Administration (BCA) whenever work is performed in the public right of way (PROW). If someone is opening a new business that requires construction impacting the PROW, BCA will interact with the business or their contractor once a permit is obtained. They will ensure that all safety regulations are being followed and permit requirements/standards are being met. By providing businesses information and education about safety regulations and identifying or rectifying construction issues, the potential for accidents and costly errors is reduced dramatically. BCA inspection helps build trust, provides confidence, reduces costs and improves overall operations for the construction work that businesses perform in the PROW.

Identified Issue:

Challenges for Contractors, Developers and Permittees

Customers often encounter challenges in understanding the scope of the allowed work, compliance and safety requirements and the difference between the public right of way and private property. These challenges result in:

- Uncertainty of the permit information and how to proceed safely with construction.
- Inability to obtain the Standard Plans for driveways, curbs, gutters, and sidewalks.
- Unnecessary site visits due to indecisiveness on when to call for an inspection
- Frustration in obtaining a Certificate of Occupancy.

Action Plan:

Proposed Virtual Project Assistance Meeting (PAM)

To better educate and serve customers, BCA is launching the availability of Project Assistance Meetings (PAM) to facilitate easy access to a live inspector who can answer questions and provide guidance for public work permit requirements. PAM will strengthen the permit project delivery system by providing the necessary information for the permit work, address safety and compliance, and answer questions regarding the public right of way versus private properties. PAMS can provide the customer with the following:

- Offer clear and detailed permit information and what is needed to start construction of the project.
- Provide information and guidance on where to obtain Standard Plans, approved products and what the Standard Specifications for Public Works Construction is (Green and Brown books).
- Detail the phases of how and when to schedule project site inspections which will eliminate unnecessary field visits.
- Supply contractors, developers & permittees with the link to the BuildLA Appointment System to check the status of their permit, Certificate of Occupancy and obtain a virtual appointment for further assistance.

Goal:

PAM will reduce unnecessary field visits, save time/money and reduce construction errors by providing a “virtual hand” to assist clients in understanding their permit requirements before work begins. The goal is to educate customers about how to successfully complete their project and minimize surprises in the late stages of a project. Live inspectors will provide customers with a helpful experience and aid in achieving a successful project!

Timeline:

The Bureau is in the process of updating its website to allow customers to more efficiently contact an inspector and schedule a time for a PAM. In order to move forward with this, it will also require identifying staff who can dedicate time to host meetings. The Bureau is hoping to launch this during Fall 2023.

DEPARTMENT OF PUBLIC WORKS | BUREAU OF SANITATION & ENVIRONMENT (LASAN)

As the lead agency for the City’s environmental programs and initiatives, LA Sanitation & Environment (LASAN) protects public health and the environment through the administration and management of three program areas: Clean Water (wastewater), Solid Resources (solid waste management) and Watershed Protection (stormwater).

These infrastructure programs collect, treat, recycle, and dispose of the solid and liquid waste generated by the nation's second largest city of more than four million residents. Through these essential public service programs, LA Sanitation delivers a triple bottom line of economic, environmental, and social benefits that sustain the quality of life in Los Angeles.

As part of the City's compliance with the Municipal Separate Storm Sewer System (MS4) permit, development projects are required to implement low impact development (LID) measures to capture stormwater on site. LASAN is designated as the City's lead agency to ensure that these measures are adequately incorporated. The reviews are performed through a clearance of the building permit issued by the LA Department of Building and Safety. Please refer to the [website](#) for additional information about the program and the plan approval process.

In addition to the LID program, some businesses will also interact with LASAN if they will be discharging industrial wastewater into the sewer system. This will apply to dental offices, food service establishments, and other industrial customers. More information can be found on the [website](#).

Improve LID plan review

Urban runoff discharged from municipal storm drain systems is one of the principal causes of water quality impacts in most urban areas. It can contain pollutants such as trash and debris, bacteria and viruses, oil and grease, sediments, nutrients, metals, and toxic chemicals that can negatively affect the ocean, rivers, plant and animal life, and public health.

LID is a stormwater management strategy that seeks to mitigate the impacts of increases in runoff and stormwater pollution as close to its source as possible. The LID ordinance was adopted in 2011 in response to water quality regulations that required LID measures to be incorporated into the design of all development and redevelopment projects that have a land disturbance activity and add, create or replace 500 square feet or more of impervious area. LASAN's Watershed Protection Division administers the LID program with 7 resolution authority positions in the Stormwater Pollution Abatement (SPA) program, and the SPA funding receives reimbursement from permit fees collected for LID plan reviews.

Identified Issue: The LID program has historically not been able to keep up with the number of permit applications and often has a significant backlog. LASAN has requested additional positions, which have not been authorized.

To minimize the backlog and delays, LASAN utilized overtime and consultant staff support when funding can be identified.

Goal: Reduce Low Impact Development (LID) plan review durations and create a more efficient process for development applicants, including small businesses.

Action Plan:

LASAN has identified several strategies to improve the LID plan review process, which utilize legislative, technological, and educational approaches.

1. Revise LID ordinance to exempt small projects with less than 2,500 square feet of impervious surface area, in conformance with the MS4 Permit. This will reduce plan reviews by more than 50% and improve review times.

Status: In progress. Expected completion: October 2023.

2. Develop improvements to the LID portal and plan check process through BuildLA programming. Improvements include: enhancing or replacing the LID Portal to automate certain tasks and functions; incorporating reporting and work assignment features into the LID Portal; automating project data push from the LID Portal to the MS4 Project Data Manager; expanding customer features; creating a LID manual, etc.

Status: In progress. May 2023 – December 2024, subject to approval of BuildLA Year 3 funding.

3. Participation in Mayor’s Executive Directive 1 webinars to educate developers about the LID process and the importance of beginning LID review early in the permitting phase to avoid project delays.

Status: Ongoing. Two webinars have occurred to date and will participate in future webinars.

[Upgrade technology for the Industrial Waste permitting process](#)

LASAN-Industrial Waste Management Division (IWMD) uses two distinct technology platforms for its Pretreatment Information Management System (PIMS) and Industrial Waste Billing (IWB) system. The current PIMS system is used to administer the US EPA-mandated pretreatment programs, which

include permitting, plan checks, inspections and enforcement, all of which support Development Services; and IWB is utilized to handle the billing and payment functions of the various pretreatment programs of PIMS. Together, PIMS and IWB service over 17,000 permitted industrial users in the City for permitting, sampling, inspections, enforcement and billing/payment functions.

Identified Issue:

PIMS and IWB are built upon technologies that are over 20+ years old and the technical support for these technologies/systems no longer exists.

Goal:

Upgrade technology for the Industrial Waste permitting process to improve efficiency and enhance customer features.

Action Plan: A new replacement system called iPACS, or internet-based Pretreatment, Administrative & Compliance System, has been selected to replace PIMS and IWB. iPACS is a web-based, commercially off-the-shelf system used by many other municipalities, including LA County Sanitation Districts, for their pretreatment programs.

An optional component of iPACS is the GovOnline portal, which can be used for electronic permit application intakes; plan check requests, submittals, reviews, clearances; online payments and other electronic submittals. Based on the preliminary requirements provided by BuildLA, IWMD intends to acquire the GovOnline portal and use it to interface with BuildLA. GovOnline would be able to provide the necessary clearances and data elements required by BuildLA's data warehouse across multiple agencies.

It is the objective of LASAN to implement a GovOnline portal that will interface with BuildLA and provide for electronic permit application intakes; plan check requests, submittals, reviews, clearances; online payments and other electronic submittals. The GovOnline portal is a major component of the iPACS EnSuite environment, and it needs to be customized and configured for LASAN-IWMD's specifications.

Status: In progress. August 2023 - December 2024, subject to approval of BuildLA Year 3 funding. LASAN supplemental funding has been approved.

DEPARTMENT OF PUBLIC WORKS | BUREAU OF ENGINEERING

The Bureau of Engineering (BOE) is one of the five (5) Bureaus that manage the Public Right-of-Way. Aside from capital improvement, one of the key components of that management is monitoring and regulating work in the public right-of-way by non-Public Works entities. Most businesses approach those changes by accessing development services permits and processes which require review by BOE. Reviews include:

1. Structural reviews of objects, trench construction and shoring,
2. Review of modifications to sidewalks, driveways and curb ramps,
3. Review of street design, alignment, profiles and drainage
4. Review of sewer main relocations and lateral connections
5. Review of stormwater capture infrastructure, hydrology, hydraulics and catch basin
6. Review of tract maps, highway dedications, vacations and recommendations for conditions for Letters of Determination
7. Review of utility relocations and conflicts
8. Review of objects requesting occupation of the public right-of-way

The Bureau of Engineering (BOE) is also responsible for maintaining street design standards, stormwater design standards and sewer design standards, as well as observing compliance with State and Federal Requirements, such as American Disabilities Act requirements and CEQA/NEPA. BOE also maintains a Geospatial Information System that geocodes mapping of utilities.

Actions Taken to Expedite Processes and Support Businesses

BOE has a series of improvements for the short term and long term currently in programming. The improvements include BOE specific program applications and processes modifications, BOE data modifications to further coordinate with the greater BuildLA efforts, and the continuation of the BuildLA multi-Departmental programming effort.

While BOE had already offered many online services before the pandemic, COVID-19 emphasized the need for constituents to be able to access City services virtually. Improvements and expansion of digital services included the launch of the online appointment system, virtual counter and Customer Service Portal accessible 24 hours a day, seven (7) days a week.

New improvements consist of:

Short Term Solutions:

1. Mapping integration with select Departments (with future plans to expand to more Departments)
2. Bond Control Tracking and metrics creation
3. Permit Tagging capabilities and software upgrades
4. Street Vacation Application
5. Migration of the Highway Dedication application

Long Term Solutions:

1. Development of the Data Repository, where each department's data will be housed before being pushed to the Development Services portal
2. BuildLA Customer Portal (multi-departmental project) for permit coordination, tracking, and customer use
2. Integration of Departmental applications into BuildLA Customer Portal, which will include user interface, permissions and payments, and Customer Service Notification System
3. Virtual Inspection application for LADBS, BCA and BSS
4. LADWP Shapefile Integration project (collaboration project) to reduce the amount of time to process permits
5. Work Order Management System (WOMS) for quicker project close-out on actual cost permits
6. Customer facing permit expiration dates
7. Mapping integration with LASAN, BSS, Parks & Rec
8. Map status tracking system - (Tract Maps, Subdivision Maps, etc.)

These solutions are detailed below.

Short Term Progress Tracking

Mapping Integration with select Departments

BOE utilizes an online, public facing mapping system named NavigateLA. This aids both City employees and the public of critical mapping information. It shows a series of different information including topography, permit locations, indexed drawings, APN information, substructure locations and wye maps, and more. The integration of mapping with select departments will have several milestones to track. Having additional data overlaid on the map information can be useful to cross reference data geospatially. The milestones include the delivery of database connection information, database configuration, production of testing and launch into the system.

Bond Control Tracking

Certain permits, especially those large in nature, require a bond from the applicant to ensure they will comply with the permit requirements and

complete their scope to the quality of the City standards. The bonds are currently managed manually and are not easily tracked internally. There isn't a clear or automated way for BOE staff to see when the work orders are closed and the associated bond is intended to be released. The creation of the bond tracking system would allow an automated notification to the BOE Bond Control Unit to release the bonds. This affects every applicant with large excavations or street design work. Bonds held can also affect applicants financially as their money is tied up in the bond. The creation of the tracking system would mitigate the impact to applicants and relieve staff from strenuous manual tracking. Milestones to monitor progress of the program creation would be programming milestones for the application, connection of a PowerBi analytics, production testing and launch. After launch, the effectiveness of the Bond tracking can be compared to the previous delivery times of bonds between work order close and bond release, and the future speeds of bond release from work order close date.

Permit Tagging

Permit tagging makes use of associating permits and other information with metadata. This enables the use of analytics and metrics by grouping and managing information that are tagged together. Each of the BOE permit applications are being equipped with permit tagging capabilities, and a tagging database is being created to help more clearly identify the way the information can be analyzed to generate metrics and reporting. This will give the capability to create more diverse analysis for reporting. The progress of tagging can be noted by the number of permits that tagging has been incorporated into, as well as the creation of the tag database.

Street Vacation Application

There is sometimes a need to convert public right-of-way to non-public right-of-way, this property is then released to the underlying fee owner as their property rights. The Street vacation process can be lengthy as it has to undergo Council approval, multi-Departmental review and confirmation, reporting of repercussions and legal approval process. Currently these lengthy processes are tracked manually by email and sorting documents in folders. With the creation of the tracking system, employees will be able to see the process status in one place with accurate information and supporting documents at their fingertips. The application system will allow real time reporting of all the active (and inactive) vacation applications to aid staff in timely processing. The progress tracking for the creation of a new application will be the initial programming, input from users and program modifications, production and testing, and launch of the application for public view and use. Longer term progress can be tracked by the automation of the notifications

for applicant vacation progress and shortened schedule trends in the vacation process.

Highway Dedication Application Migration

Highway Dedication is required when non-public right-of-way is being transitioned into the public right-of-way and responsibility. It undergoes a similar process as the Street Vacation process. The existing application will undergo modifications to improve the function and mitigate delays to the application during the highway dedication process. The progress tracking for the Highway Dedication application improvements will comprise of the initial programming, input from users and program modifications, production and testing, and launch of the application for public view and use. Longer term progress can be tracked by shortened schedule trends in the vacation process.

Long Term Progress Tracking

Creation of the Data Warehouse

Programming efforts such as the creation of the Data Warehouse, are efforts to create the main function of the BuildLA portal. The data warehouse is the main digestive system of the software platform and will intake all the data in its various formats from the different locations and different departments to process and reformat it into the future BuildLA portal. It will allow applications to view data uniformly and within the BuildLA portal view. Creation of the data warehouse starts with the sharing and testing of data from other Departments, while programmers simultaneously program the processing portion of the system. While several Departments have already shared their data, there are still a few that need testing. Once the process programming is complete, the full data sets can be connected and processed to enable the future BuildLA portal. BuildLA portal would not function without this major piece, the progress and success of the Data Warehouse will be directly reflected in the BuildLA portal.

BuildLA Portal Creation

The main intent of BuildLA is to provide guidance and transparency to applicants through the development services process. The creation of the BuildLA portal will be a visual portal available online which will bring all the Departments' data in one place, showing permit status for multiple Department permits. Additionally, it will allow Departments to see all the permits information together as it relates to one project. A project profile will be created for each applicant so a unique identifier can be referenced for each project and all Departments can reference the same profile and have insight to the information from other Departments. This system will also allow

notifications when there is an update in certain project profiles progress keeping an open line of communication with the applicant. The progress tracking for this effort can be monitored by the user interface and user experience progress and creation, mapping the navigation of the look and feel of the portal components and resulting in the user use of the portal.

Virtual Inspection application for LADBS, BCA and BSS

Virtual Inspections will allow building and public works inspectors to virtually inspect easy checks and save on time, allowing efficient use of inspector resources while still keeping applicants accountable to their permit requirements. These virtual inspections progress can be measured by the creation, production, testing and launch of the system with the input of the inspectors along the way. Longer analysis of time savings can be shown by analyzing the number of sites inspectors visit per inspector per day, compared to the metrics of the per inspector per day inspections including the virtual count.

LADWP Shapefile Integration Project

This DWP coordination is a collaboration project to reduce the amount of time to process permits. This would also show a more accurate representation in the Public Way Reservation System and enable better and more clear communication with the public since PWRS are a publicly facing map to aid in construction and permit coordination. The metrics to measure the progress would be the launch of the system and the comparative metrics with the number of DWP conflicts encountered or avoided with the system in place.

Work Order Management System (WOMS) Creation

The Work Order Management System would improve BOE staff's ability to open, close and track work orders. A Work Order is open every time a large permit application is opened to enable tracking of charges especially those for as-cost, fee-based permits, and for inspection charges a fee, determined by the Los Angeles Municipal Code. These Work Orders are currently manually pulled into a report and irregular determinations on closing Work Orders are made. Closing of a Work Order stops charges to the applicant and releases any credit the applicant may have. Not closing the Work Orders in a timely manner has a negative impact on the applicant and delays the release of any owed funds. The system would aim to automate these closeouts, reveal a public facing permit expiration date for clear financial expectations, and mapping integration with several Departments into the NavigateLA system to show the spatial representation of their permits. Progress tracking for this effort would initially be the production, testing and launch of the system and integration and training for employees to use. Long term tracking would aid in

the overall communication and coordination with the applicant and transparency of their status.

Map status tracking system

The Map Status Tracking System is a new system that doesn't currently exist amongst the BOE portfolio of applications. This system will track the status of tentative tract maps, subdivisions and other mapping actions. These mapping actions are usually lengthy as they move through several Departments and approvals, including real estate title modifications, and recordation with legal documents. The transparency of status will prevent maps from getting delayed from confusion in status and understanding of "ball-in-court". The progress of this can be tracked by the production, testing and launch of the system and integration and training for employees to use, and release for public view. Long term tracking would aid in the overall communication and coordination with the applicant and transparency of their status, and can be measured by the time-loss mitigation.

DEPARTMENT OF PUBLIC WORKS | BUREAU OF STREET SERVICES

The Bureau of Street Services (StreetsLA) performs a wide range of planning, construction, maintenance, and enforcement activities to maintain the City's public works infrastructure and enhance the experience and quality of life of City residents, visitors, and stakeholders.

StreetsLA is involved in the issuance of permits for construction projects through its Urban Forestry Division (UFD) and Investigation & Enforcement Division (IED). Tree plantings and removals are common requests when a new building or project is designed and constructed, and require review, clearances and permits. In order to process such permits, UFD reviews applications, and requests and exercises discretion in approving permits, requesting revisions or denying permit requests. Once a project is under construction, IED is involved with certain types of construction-related permits, including: construction canopies, sidewalk closure permits, lane closure permits, and building materials permits. Both UFD and IED work frequently and collaboratively with other City departments, in addition to interfacing directly with applicants themselves.

Revamp StreetsLA website

Identified Issue: The existing StreetsLA [website](#) is several years old and, in terms of functionality, is long overdue for an upgrade.

Goal: Make the StreetsLA website more "user friendly" with a focus on the core services offered by the Bureau.

Action Plan: With the start of the new Fiscal Year, StreetsLA’s Advanced Planning/Asset Management (APAM) team is working with the External Relations Team (ERT) on graphic design, and has brought on a consultant to build the website once the design process is complete. This project is currently in progress. Strategies to assist businesses include the creation of a dedicated, easier-to-find “Permits” page and updated FAQs for public-facing divisions, including those directly related to ED4 permitting processes: Urban Forestry Division (UFD) and Investigation & Enforcement Division (IED).

Status: In progress

Estimated Timeline: ETA Late Fall/Winter 2023 Completion

Increase Business Guidance and Clarity

Identified Issue: Often, businesses are caught off guard by the length of time and required steps that must take place in order for StreetsLA to review and issue a permit and/or to review and sign off on a tree removal/disturbance. Tree removals in particular can add considerable time to a process, including – in cases involving the removal of three or more trees – a report justifying the removal that must be prepared and presented to the Board of Public Works.

Both UFD and IED divisions often get the same feedback from developers and applicants, including “How do I start?” and “I didn’t know I needed this.” Therefore, StreetsLA is often repeating the same response.

Goal: Help businesses and developers clearly understand City’s Tree policies and how they may impact their project. Ensure they are provided the guidance needed to foresee and/or address any issues.

Action Plan:

1. Develop a clear, easily comprehensible guide on Bureau policy regarding tree processes, using the new ED4 “Opening a Business” roadmaps as a template. This guide will do the following:
 - Help encourage applicants to incorporate tree *preservation* – as opposed to tree removal or disruption – into their project, thus furthering the City’s sustainability goals
 - Be easily accessible through the new StreetsLA website
2. Develop educational public information (i.e. flow charts and Gantt charts) to provide insight to applicants regarding StreetsLA permit procedures and the ability to understand the process and timeline

for submittals

3. **Under Consideration:** Develop and host a “Permitting 101” series of recorded virtual webinars, modeled after DCP’s [“Planning 101” series](#) from 2020. Post the webinars – along with associated FAQs – in perpetuity on the new StreetsLA website.

Status: In progress

Estimated Timeline: TBD

Public-facing portal for UFD permits

Identified Issue:

The current process to obtain and submit an application requires multiple steps. This often confuses applicants and leads to incomplete submittals. The web platform currently utilized to intake, process and issue permits is not optimal for permit efficiency, nor is it intuitive in customer interaction.

Goal: Increase clarity for businesses undergoing the permitting process.

Action Plan Under Consideration: Adopt a permitting platform that is tailored for permitting purposes and will do the following:

- Enhance customer experience and permit processing efficiency
- Promote transparency in the permit process, showing permit status in real time
- Explore adoption of such a system through the Department of Building and Safety current effort of creating a permitting system platform.

Status: Under consideration

DEPARTMENT OF WATER AND POWER

When constructing a new business or making tenant improvements for an existing one, certain parameters may be required before DWP can provide clearances and approvals needed for a certificate of occupancy.

Reducing Costs of Underground Line Extensions:

The Los Angeles Department of Water and Power (LADWP) is committed to making development projects more economically feasible by reducing the costs of underground line extensions. This initiative has a direct and positive impact on small businesses in the City of Los Angeles. These businesses often face tight budgets and financial constraints when planning expansion or new projects. By implementing

cost-reduction measures, LADWP is making it more economically viable for small businesses to invest in Los Angeles.

Internal Process Implementation: LADWP is creating an internal process to implement the new Rule Governing Water and Power Electric Service for underground line extensions. This rule is aimed at streamlining procedures and cost reduction.

Status Update: Currently, the process is under development, with details being worked out in collaboration with all stakeholders. Notably, the LADWP Board approved the new rule on August 15th, 2023. The implementation date is pending, pending the finalization of all necessary details.

Lowering these costs can be a game-changer for small businesses, as it enables them to allocate resources to other critical aspects of their development projects. Whether it's a small retail store, a neighborhood cafe, or a local childcare facility, reduced costs for infrastructure improvements translate to increased sustainability for these businesses.

Improving Utility Permitting Processing Times

To expedite the review and processing of utility permits for customer-initiated projects, LADWP has taken the following measures, which have a significant impact on small businesses:

Staff Expansion: LADWP is working in cooperation with the Bureau of Engineering to hire additional staff. The objective is to hire one Senior Engineer and four Civil Engineering Associates dedicated to processing utility permits for both LADWP Utility and Customer-initiated projects.

Status Update: As of now, three out of the intended five employees have been hired, marking progress toward reducing processing times. Small businesses thrive on agility and the ability to swiftly execute their plans. Delays in utility permitting can be a significant obstacle for them. By hiring additional staff and committing to expedited permitting processes, LADWP is directly supporting small businesses in their endeavors.

Faster utility permitting processing times mean that small businesses can get their projects up and running more quickly. For instance, a new restaurant can start serving customers sooner, a retail store can open its doors without unnecessary delays, and a local market can expand its offerings promptly. This translates to boosting the economic development, growth potential of small businesses, and ultimately improves the City of Los Angeles.

Webinars and Information Sharing

LADWP aims to provide customers, including small businesses, with more opportunities to access vital information and benefit from initiatives under ED4.

Quarterly Webinars: LADWP is actively planning to create quarterly webinar content tailored to the needs of its target audience, including small business owners and operators. These webinars will address specific process questions, offer guidance on compliance, prepare developers for better planning, and help small businesses make informed decisions about their projects.

Status Update: While the goal is set, there is a need to create content and assign an engineer to lead the effort. Webinars and information sharing play a vital role in empowering small businesses with the knowledge and insights they need to navigate complex multi-departmental processes effectively. The quarterly webinars planned by LADWP serve as a valuable resource for small business owners and operators.

These webinars provide a platform for small businesses to gain a deeper understanding of LADWP's initiatives and processes. They address specific design questions, offer guidance on compliance, and help small businesses make informed decisions about their projects. This access to information is invaluable for entrepreneurs looking to make their mark in the city's competitive business landscape.

Hiring Additional LADWP Staff

The hiring of additional staff within LADWP is a promising development for small businesses. With more personnel dedicated to processing permits and facilitating projects, small businesses can expect a more responsive and efficient experience when working with the department.

Staffing Enhancement: The goal is to provide staffing in all areas where additional personnel will significantly reduce the deliverable queue for customers.

Status Update: Hiring is ongoing, and LADWP has identified the vacancies that need to be filled to meet these objectives.

For small businesses, time is money. The reduction in processing times resulting from increased staffing means that projects can move forward swiftly. This not only reduces the administrative burden on small business owners but also allows them to realize their business objectives in a timely manner. It fosters an environment where

small businesses can take advantage of opportunities and respond to market demands more effectively.

Agency Collaboration with Customers

Allowing customers, including small businesses, opportunities for pre-submittal/design/conceptual workshops is a proactive step toward ensuring their success. Small businesses often lack the resources and expertise to navigate complex regulatory requirements. Collaborative workshops with city agencies, such as LADWP and LADBS, offer them a chance to receive guidance and clarity on how to meet these requirements.

Pre-submittal/Design Workshops: LADWP aims to offer customers opportunities for pre-submittal/design/conceptual workshops. This approach allows customers to discuss their projects before final designs are submitted to any city agency, ensuring the incorporation of LADWP requirements in the initial plans.

Status Update: LADWP has engaged in discussions with city agencies to explore how these workshops can be effectively implemented. Additionally, there have been discussions about enhancing collaboration with the Los Angeles Department of Building and Safety (LADBS) to better meet customer needs.

By incorporating LADWP's requirements early in the planning stages, small businesses can avoid costly delays and design alterations later in the process. This not only saves them time but also ensures that their projects are following all necessary regulations from the outset.

In summary, each of these initiatives by LADWP has a tangible and positive impact on small businesses in Los Angeles. They reduce costs, expedite processes, provide access to valuable information, enhance customer service, and foster an environment where small businesses can thrive and contribute to the city's economic development.

DEPARTMENT OF CANNABIS REGULATION

The Department of Cannabis Regulation (DCR) was formed in late 2017 in advance of the statewide legalization of adult-use cannabis on January 1, 2018. As of July 2023, DCR issued over 1,500 licenses to 773 unique locations, making Los Angeles the largest municipal cannabis market in the nation. DCR also manages the largest Social Equity Program (SEP) with 1,800 verified social equity applicants. Since 2018, licensed cannabis businesses have produced \$467 million in City tax revenue (to the

General Fund) and \$10 million in licensing fee revenue (to the Department of Cannabis Regulation Special Revenue Trust Fund).

Actions Taken to Expedite Processes and Support Businesses

To help SEP individuals open and sustain their business, DCR has provided the following:

- **Fee Waiver Program**

To date, DCR has provided over \$6 million in fee waivers to prospective Social Equity Individual Applicants, Social Equity Applicants and licensees.

To help expedite application processes and timelines, DCR has further taken the following steps:

Increased Staff to Expedite Application Processing Timelines

Los Angeles Municipal Code section 104.03(i) contains mandatory processing timeframes by which DCR must process each step of the licensing process. Under the ordinance, the processing timeframes began in May 2023 when DCR reached a 20% vacancy rate.

DCR has since worked to lower its vacancy rate while simultaneously meeting most of the timelines outlined in LAMC 104.03(i). Today, DCR is fully staffed for the first time in its history. This means that DCR can increase its focus on customer service and efficiently move applications to licensure.

Streamlining Annual Licensing Application Processes

Recent ordinance amendments (CF [21-1083-S1](#)) have streamlined the annual licensing process for both retail and non-retail businesses. DCR may issue 200 to 300 additional retail storefront licenses, which may increase tax revenue by \$100 million.

Summarized generally, the process for **retail** businesses is now: (1) applicant submits a complete annual application including environmental documents; (2) DCR review to determine if the annual application is complete; (3) if complete, DCR sends a Notice of Complete Application to the applicant, the closest neighborhood council, and the relevant City Council office; (4) DCR must hold a community meeting to solicit public input on the proposed business; (5) within 90 days of determining the application is complete, DCR either denies the application or recommends that the Commission grant the license; (6) if DCR's recommendation is to grant the license, the Commission holds a public hearing to determine whether to grant the license.

For non-retail businesses, under the new ordinance, DCR has the authority to grant or deny annual licenses without involving the Cannabis Regulation Commission. This is much more efficient and cost-effective for applicants and allows stabilization of the non-retail market, both for licensee's business operations and the City's tax revenue. DCR will begin the non-retail process in the late summer or early fall.

Legal Business Entity Record (LBER) and Record Review Efficiencies

DCR has streamlined its licensing process by dividing its application processes into three categories: (1) the Pre-Application, which includes a review for land-use compliance under LAMC section 105.00 et seq. and environmental review; (2) the creation of the legal business entity record (LBER) and, if applicable, review of Equity Share documents for compliance with LAMC section 104.20; and (3) Annual License (formerly Temporary Approval) application processes, including the submission of all remaining required forms and documents. Prospective applicants may submit an LBER and go through the Equity Share review process prior to submitting a Temporary Approval or Annual License application. This division into three licensing stages provides additional flexibility for applicants so they may complete the process at their own pace based on their unique business agreements and/or access to capital. It also means DCR can cross train staff on the different licensing elements to promote speed and efficiency.

DCR has identified the following processes or enhancements to existing processes which are in line with the intent of ED4 and can assist small businesses in the City:

Improvements to Processes

Business Licensing and Compliance (BLC) Programming

Los Angeles Municipal Code section 104.20 requires DCR to provide business licensing and compliance (BLC) assistance to applicants and licensees. DCR has a robust BLC program organized by an extensive bench of vendors and dedicated Social Equity department staff. Highlights of the BLC program include: 87 live webinars, a Learning Management System which contains instructional content on everything from the licensing process and hiring and payroll for a cannabis business, and over 700 hours of completed one-on-one coaching for applicants and licensees where they receive guidance from industry experts. The last such event was *LA Cannabis Unite* in June 2023 with over 600 attendees. Finally, DCR provides services to assist with cannabis industry employment, such as with the SEP Job Board and interview training and coaching for job seekers.

Identified Issue: Applicants rely heavily on lawyers and consultants to navigate commercial cannabis application processes adding to the cost of opening a business.

Goal: To provide Applicants with resources to make navigating the commercial cannabis application process easy, reduce reliance on lawyers and consultants, reduce costs borne by Applicants pursuing commercial cannabis licenses.

Action Plan: Going forward, DCR plans to finalize a recent Request for Proposal (RFP) to add to the existing bench of SEP vendors. DCR is also exploring the possibility of creating an incubator program in the City of Los Angeles, similar to that in other jurisdictions, in order to lower the barrier of entry for Social Equity Applicants.

E-payments, Same Day Payment Appointments and Payment Plans

The Office of Finance (Finance) processes all payments on behalf of DCR. As the department provides cashiering services to multiple Departments, commercial cannabis applicants compete with other Angelinos for appointments and other services provided by Finance.

Identified Issue: Payment processing times may add to holding costs.

Goal: Provide expanded payment processing options to allow applicants to remit payment sooner, which allows DCR to begin processing applications sooner and reduces an applicant's holding costs.

Action Plan: DCR is currently working with the Office of Finance to create an improved business tax registration certificate (BTRC) request process and an e-payment system. This will allow applicants to make quick payments online and avoid the need for mailed payments or in-person payment appointments at the Office of Finance. It will also improve DCR's response time and application processes because DCR will know when a payment is made without relying on the Office of Finance and/or waiting for the payment to arrive by mail. DCR hopes to launch e-payments by Fall 2023.

Updated Mapping Tools and Digital Dashboards

Commercial cannabis businesses must adhere to zoning and distancing requirements. Providing pre-application, application, and licensing data helps prospective applicants looking for compliant locations.

Identified Issue: DCR relied on the Department of City Planning (DCP) to

provide mapping services, so updating DCR's original map may take 2-4 weeks. When the mapping layers are updated, the posted data is several weeks old.

Goal: Implement a mapping solution maintained by DCR that can be updated more frequently with current data that doesn't negatively impact DCP.

Action Plan: In fall 2023, DCR will launch an updated and improved DCR Licensing Map on its website. The update will move the map from a Planning-hosted map to a DCR-hosted Google Map, which will allow DCR to update data at shorter intervals and provide applicants with accurate information in real time as sensitive uses and licensed business locations change. DCR is currently waiting for Insight (ITA's contractor) to issue a PO for a Google Map API license to integrate with the DCR Licensing Portal. Once the license is issued, DCR will finalize the system integration and begin publishing updated application information on a daily basis.

LONG-TERM SOLUTIONS

Streamline Communication and Management of Cases between Departments

BuildLA

In order to navigate through the many departments, BOE has taken the lead on the BuildLA initiative, and is working through guiding this project with the intent of helping constituents navigate through the development service process.

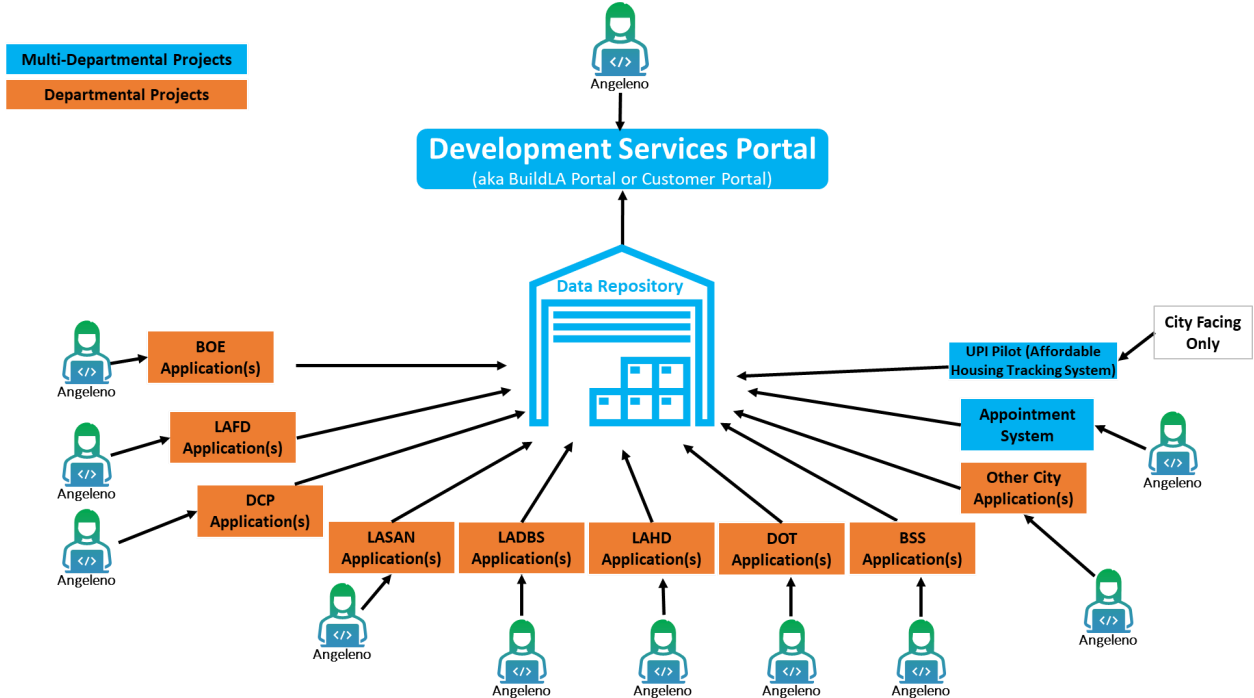
BuildLA is a Multi-Agency Long Term Goal to coordinate key information to feed data into a portal that gets "digested" and then able to show an applicant their status, project profile, and other information from many Departments in one single portal. Individual Departments are responsible for getting their data and processes ready to feed to that portal as part of the BuildLA Charter, adopted by City Council.

The strategy is driven by constituent needs, and led by the Mayor's office through a steering committee where scope and technical agreements are made and carried out by the Departments. Figure No. 1 depicts how the customer will be able to access their project profile information through their Angeleno account. This account should provide multiple services, including the ability to eventually make payments through this account.

While BOE is managing the multi-departmental effort for BuildLA, projects related to a single department are overseen by that respective department. Their

Departments are responsible for: creating new or improved applications, transitioning from paper to electronic, optimizing workflow, creating the Data Warehouse connection, and implementing customer service improvements.

Figure No. 1:



Next steps for BuildLA:

1. Create a sophisticated User Interface that is easy to read and intuitive to use
2. Data Repository launch by early 2024

BuildLA Multi-Departmental projects:
Completed:

1. Launch of In-Person and Virtual Appointment System. A screenshot of the landing page is shown in Figure No. 2
 - a. The Appointment System will help achieve the goals of Executive Directive 4 by providing businesses with direct access to City staff to ask questions about permitting and development related services through the use of the newly created Virtual and In Person Appointment System. Some of the benefits of this BuildLA application include:
 - o Any department in the City can use the system and have the ability to manage their preferences

- Ability for the customer to quickly make an appointment and ask questions related to permitting, inspection and code enforcement.
 - Ability to upload documents to the system to make the appointment more valuable
 - Virtual meetings save time, save money (parking and gas), and reduce our carbon footprint
 - Faster resolution to issues
2. Launch and Expansion of Virtual Counter (Public facing, Same Day Service)
 - a. Just like the Appointment System, the Virtual Counter System will help achieve the goals of Executive Directive 4 by providing businesses with direct access to City staff to ask questions about permitting and development related services.
 3. Launch of the Affordable Housing Tracking System was pushed by ED1, and functions as a pilot of how the departments data will interact, showing “project profiles” for all Departments to tie their information together under one reference number, currently called a Universal Project Identifier, screen shot of the project list is shown in Figure No. 3.
 4. Update to the BuildLA Charter

Figure No. 2:

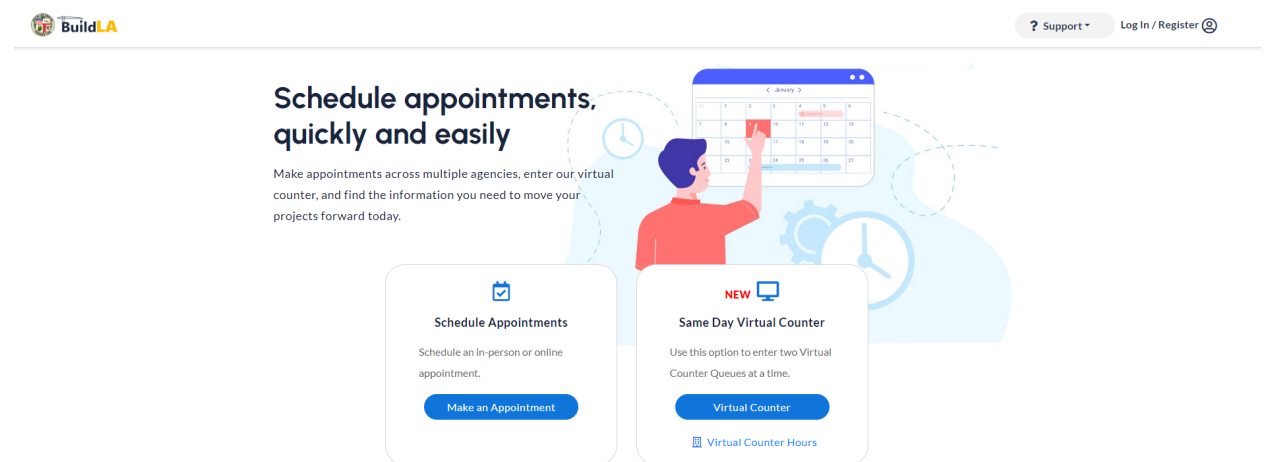
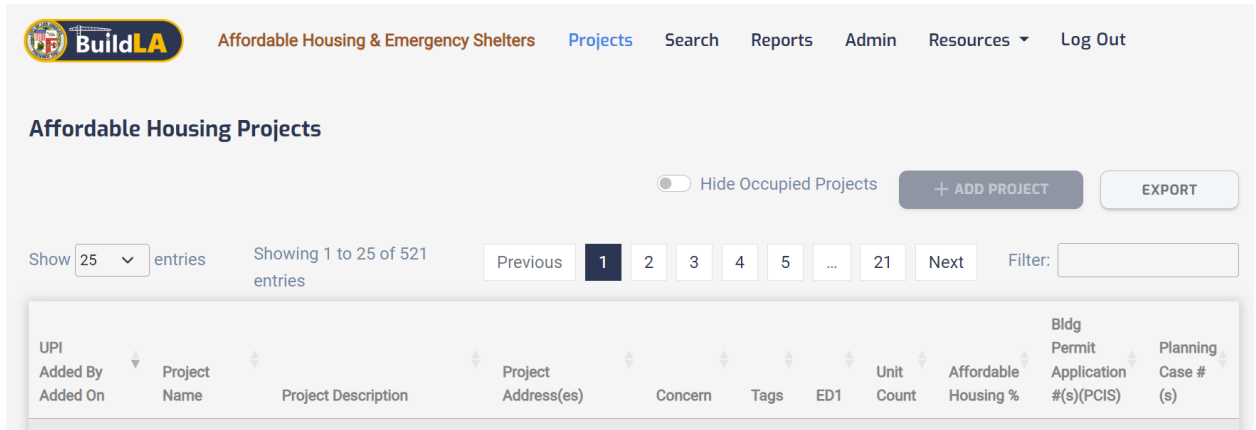


Figure No. 3:



BuildLA Multi-Departmental projects:

In Progress

Long Term Objectives

1. Development of the Data Repository, where each department's data will be housed before being pushed to the Development Services portal
2. BuildLA Customer Portal (multi-departmental project) for permit coordination, tracking, and customer use
 - a. In Progress: Data Repository and Service Bus - main processing an heart of all incoming data from all participating Departments
 - b. Integration of Departmental applications to feed BuildLA Customer Portal
 - c. Development of User interface, permissions, and payments
 - d. Customer Service Notification System
3. Virtual Inspection application for LADBS, BCA and BSS

EXPEDITING INVOICE PAYMENTS

According to the City's Controller's Office, the City paid over 100,700 vendors in FY 2022-2023 with payments totaling approximately \$7.67 Billion. Of the payments issued, 9.92% of these payments were issued late — 30 days or more past the date of invoice issuance. This causes a problem for businesses that do not have cash reserves to draw upon to maintain cash flow and sustain their business operations.

Working Group 2 focused on solutions and strategies for expediting payments to businesses contracting with the City. Accordingly, they have committed to do the following by December 1, 2023:

Enhance vendor support and education to eliminate mistakes that require back and forth follow up, particularly as new vendors or revolving vendor staff lack experience.

- Provide vendors with invoice submission tutorial that is provided through either pre-recorded videos or virtual meetings of at least 15 to 30 minutes
- Provide vendors with a sample of invoice and/or template that either optional or mandatory
- Adopt a single, digital point of entry for invoice submissions to ensure visibility by entire reviewing division — opposed to current process of email submissions that are not tracked
- When countless items are needed to process an invoice, provide vendors with a checklist of documents and information needed to complete invoice submission.
 - ◆ For scanned submittals only: Instruct that checklist must be provided as Cover Sheet to the invoice documents submitted. Sequence of documents must be in alignment with the checklist.

Standardize invoice review processes and eliminate unnecessary levels of review and administrative burden. Currently, every department has a different process for processing a payment, creating challenges to training staff and barriers to efficiency.

Enhance staff training to eliminate time needed to process invoices and build efficiency.

- Launch Project Manager Training Bootcamp with the Department of Public Works.
- Provide standardized training modules through the Office of City Controller.
- Provide staff with clear designation of responsibilities.
- Establish time commitments for each reviewing division.

Track performance and work to further identify problems

- Report Monthly Performance Metrics to help identify areas of needed improvement.

In addition, LABSC is working to the following:

- Increase staff retention. The LABSC is exploring incentives that help prevent staff transfers from accounting divisions within each Department.
- Review and assessment of required documents. The LABSC is exploring potential for documentation and requirement elimination where they have become outdated.
- *In addition, the LABSC is discussing the ability for departments to make partial or partial advance payments automatically when certain conditions are*

met, adoption of technologies that allow for vendors to check status, and more.

BUSINESS CERTIFICATION

The Bureau of Contract Administration (BCA) promotes opportunities for small, diverse, and local businesses through its Certification program. BCA ensures compliance with Federal, State, and local eligibility requirements to validate the ownership, control and/or annual revenues, and/or location of a business. This validation process ensures a level playing field for those businesses who seek to take advantage of various programs when competing for City contracting or subcontracting opportunities. This includes the Local Business Preference Program which provides local businesses a bid preference on City contracts, the City's Disadvantaged Business Enterprise (DBE) Program which requires bidders on US DOT federally funded contracts to pledge and utilize DBE contractors, or the City's Business Inclusion Program which requires that prime bidders perform outreach to minority and women-owned businesses, among others.

Similar to other departments across the City, BCA has been facing staffing challenges. BCA's Certification Section lost significant institutional knowledge to retirements, and encountered challenges with hiring and retention in a very competitive City job marketplace. As a result, a backlog of Certification applications began to develop.

As a result of Executive Directive 4, BCA has diverted its resources and prioritized its Certification work so that small, diverse, and local businesses can continue to compete and take advantage of City contracting opportunities. To tackle its resource challenges, BCA has prioritized placement of new hires in the Certification section, re-hired a retired employee with institutional knowledge for training new staff, shifted staff resources from other sections to assist on a temporary basis, worked with other departments to borrow staff with certification experience, and utilized overtime to focus more time on this effort. As a result, BCA staff have been able to make significant progress. In the first 90 days, BCA focused on reducing its backlog of Local Business Enterprise (LBE) applications, and was able to eliminate all requests that were over 30 days past their original submission. BCA's goal is to maintain a goal of processing LBE applications within 30 days, and will also turn its attention to reducing its backlog for other types of certifications.

While these efforts are underway, BCA will continue to prioritize and move businesses to the front of the line if their certification status may have an effect on the outcome of a contract award. This will ensure that the current number of applications in queue will not impact a potential contracting opportunity for a small,

diverse, or local business seeking to take advantage of a City bid preference or program. For businesses where a bid preference for a local business will impact the outcome of the contract award, an awarding authority can request that BCA expedite this certification and if verified, the certification will be recognized based on the date the application was submitted. For minority and women-owned businesses where there is proof of pending participation in a City contract, the business can request their application be expedited.

The BCA Certification Section's work will continue to ensure there is a robust pool of validated and certified small, diverse, and local businesses that can compete for City contracts. It will also ensure that this pool of certified businesses continues to grow in preparation for upcoming opportunities that become available from the 2026 FIFA World Cup and 2028 Olympic and Paralympic Games.

LONG-TERM SOLUTION

Submittal of Invoices through RAMP

Pursuant to the Ordinance that established the Office of Procurement, the City Procurement Officer is working to centralize and digitize the City's invoicing process. This effort plays a pivotal role in modernizing government operations by offering a myriad of benefits that streamline financial processes, increase transparency to allow the City to improve on problematic processes, and eventually enhance overall efficiency. As part of the development, the Office of Procurement is working with the Board of Public Works to pilot a new system that can be implemented City-wide, thereby creating a uniform process across departments for the City's vendors.

This new system will reduce the likelihood of errors and discrepancies in invoicing, tracking the status of invoices and payment requests, and ensuring accurate record-keeping. Additionally, this will hold the City to a higher standard of service to its stakeholders and allows for more transparency in government processing of payments. Centralized and digitized invoicing allows for easy access to historical financial data, which can aid in informed decision-making and strategic planning, which the City has historically not been able to complete due to the lack of City-wide data.

This system will provide the added benefit of assisting City vendors with regulations and audit requirements, as digital invoices are often easier to track and verify. In essence, the Office of Procurement's centralized and digitized invoicing pilot will work to modernize the City's payment operations, fostering financial transparency, efficiency, and sustainability. The Office of Procurement is in the process of releasing

the Request for Proposals for a contracted applications developer to build this module.

To further improve the capabilities of this system, the OOP is conducting a preliminary meeting with the Controller and ITA to discuss the possibility of an integration with the City's Financial Management System (FMS), which is responsible for accounting and payment of City funds. If an integration between this invoice management system with FMS is made possible, it would further automate a manual data entry and intake process thereby reducing the time processing time of invoices and payment management. Any integration, however, is only possible after a planned upgrade of FMS to CGI Advantage 4, which is slated to be completed by the end of this calendar year. To conclude, if fully funded, authorized, and implemented, this digital solution for invoice management is planned to be completed by the end of Fiscal Year 2024-25.

NEXT STEPS

Comparative Analysis of permits and fees

A comparative analysis of popular permits and fees issued by the City will be completed. Findings will be further evaluated as needed. Additionally, programs that help expedite permits and lower certain fees will be considered for expansion, helping to support more businesses.

Evaluation of certain taxes and fees

The LABSC will work with the Office of Finance and Chief Administrator's Office to further assess the fees and taxes that are found to be of higher cost than those of other Cities. This analysis will be made in conjunction with the Office of Finance's review of outdated sections or recurring issues within Los Angeles Municipal Code — including the City's Tax Ordinances that cover business taxes in Article 1.

Coordination with Businesses

As a result of ED4, the LABSC will establish the ED4 Community Business Taskforce — in coordination with the Los Angeles City Small Business Commission and business policy advocacy organizations. The taskforce will gather feedback from the business community and work with the LABSC to advance the community's priorities. Additionally, to help direct the Mayor's agenda and ensure that small businesses have influence over the priorities and solutions needed to support their growth, the Mayor will establish the Small Business Cabinet — a cabinet made up of senior small business industry leaders in the Los Angeles region.

Evaluation Completion of Identified Processes

Along with the processes for expediting payment of contracts and opening and/or expanding a business, additional processes that require further review have been identified to date. These, including any items identified by the ED4 Community Business Taskforce, will be reviewed and assessed by the LABSC for improvements. Updates to those findings will be shared in future progress reports.

Monthly Collection and Evaluation of Goals and Performance Metrics

At the end of every month, departments will submit monthly metrics that will allow for the Mayor’s Office to track progress and further identify areas of improvement. For expediting process of payment, for instance, departments have been instructed to provide the following information:

- Number of pending payments
- Maturity of invoices since submission
- Reason for identified payment delays

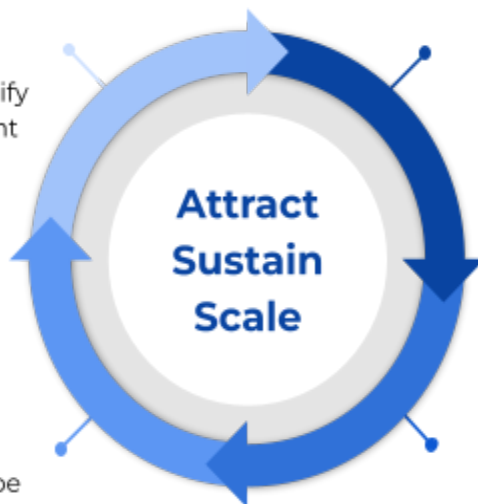
The LABSC will also track each department’s Action Plan and specific metrics that allows for the LABSC to evaluate progress. This process will allow for the City to continuously evaluate City performance and make adjustments as needed. The process is summarized in the graph below.

EVALUATION

Assess and review metrics, evaluate outcomes, and identify opportunities for improvement and new solutions.

DATA COLLECTION

Gather data to identify problems that can be addressed through specific policy initiatives.



LONG-TERM SOLUTIONS

Develop solutions that can be implemented over time and create the foundation the City needs be increasingly business-friendly.

SHORT-TERM SOLUTIONS

Develop solutions that can be implemented in the near future to support businesses immediately.



KAREN BASS
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