
PERFORMANCE AUDIT OF COMMUNITY PLANNING GROUPS

Through Additional Oversight and Updates to Council Policy, the City Can Improve Transparency and Compliance of Community Planning Groups and Can Better Monitor Performance and Communicate Their Role to the Public

Office of the
City Auditor

City of San Diego



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THE CITY OF SAN DIEGO

December 13, 2018

Honorable Mayor, City Council, and Audit Committee Members
City of San Diego, California

Transmitted herewith is a performance audit report on the Community Planning Groups. This report was conducted in accordance with the City Auditor's Fiscal Year 2018 Audit Work Plan, and the report is presented in accordance with City Charter Section 39.2. The Results in Brief are presented on page 1. Audit Objectives, Scope, and Methodology are presented in Appendix B. Management's responses to our audit recommendations are presented on page 60 of this report.

We would like to thank staff from the Planning and Development Services Departments for their assistance and cooperation during this audit. All of their valuable time and efforts spent on providing us information is greatly appreciated. The audit staff members responsible for this audit report are Joe Picek and Chris Kime.

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Results in Brief

There has been long-standing citizen involvement in planning in the City of San Diego (City). The City Council adopted Council Policy 600-24 (Council Policy) in 1976, establishing criteria for recognition of Community Planning Groups (CPGs). The Council Policy was created to establish minimum standards and provide guidance for these groups operating as self-governing advisory bodies. CPGs are integral components of this planning process and provide citizens with an opportunity for involvement in advising the City Council, the Planning Commission, and other decision-makers on development projects and land use matters, general or community plan amendments, rezoning and public facilities.

We conducted a performance audit of CPGs to determine if CPGs have an effective control environment, if they are in compliance with key elements of Council Policy, and if they are a contributing factor to permit approval delays. We had two findings, outlined in the report.

Finding 1 The City's limited oversight, guidance, and training of CPGs may be contributing to CPGs' lack of transparency, inconsistent records retention, and potential non-compliance with Council Policy and the Brown Act. Specifically, we found:

- CPGs lack transparency because they are not consistently submitting or retaining documents required by Council Policy;
- We could not verify that members had not exceeded their term limits due to incomplete rosters and ambiguous guidance on retaining election results; and
- Due to the Council Policy 600-24's broadly defined eligibility requirements, there is a risk that renters may not be adequately represented with CPG membership.

Finding 2 We also found that a lack of oversight of the CPG development project review process has made it difficult to analyze their performance and influence. In addition, the data is insufficient to determine whether the CPGs' review of development projects cause delays in the process. Specifically, we found:

- Records are insufficient to determine whether CPGs cause delays in the project review process;
- City guidance for CPG project recommendation deadlines is unclear, yet CPGs risk losing their rights to represent their communities if they do not provide recommendations in a timely manner;
- The role of CPGs, the process of CPG review, and how it impacts overall project review is not adequately communicated to applicants/developers;
- The City review process proceeds independent of CPG reviews, but applicants may be under the impression that CPG review delays the City's permitting process;
- Applicant level of effort and time spent presenting projects to CPG groups is not known by the City; and
- The City does not provide sufficient training to CPGs and developers and does not provide feedback to CPGs regarding their recommendations and the City's final decisions.

According to the Administrative Guidelines and City staff, CPGs are independent, self-operating, and self-governing entities. As a condition of official recognition, the City has placed the responsibility on the groups to comply with Council Policy. However, internal controls guidance states that City management retains responsibility for monitoring the effectiveness of CPG internal controls.

CPGs provide valuable information and services to the City of San Diego. A significant amount of time and effort is made by these volunteers to advise the City on land use and other matters, but without full transparency, the amount of work put in by CPGs and their performance is unclear. There is also the risk that the groups lose the legal protections offered by the City if they are not in compliance with Council Policy. It would be beneficial to these groups and the City to consistently collect the required documentation and post it for public review. Additionally, a lack of transparency may lead to public speculation, which could damage the reputation of both the City and the CPGs.

Recommendations To address these issues, we recommend the Planning Department propose revisions to Council Policy 600-24 and the Administrative Guidelines to Council Policy 600-24 to provide additional oversight of CPGs' compliance with the policy, and to help ensure CPG transparency, diverse community representation, and performance.

To ensure the City and other stakeholders have sufficient information to analyze CPG performance and influence, we recommend the Planning Department, in conjunction with the Development Services Department (DSD), should improve its documentation of CPG recommendations and post all CPG documents, including project review recommendations, on the City's website. The Planning Department should also coordinate with DSD to communicate a consistent message to project applicants on the role of CPGs in the project review process. The relevant City departments should also coordinate to provide a more comprehensive training program for CPGs.

We made a total of five recommendations, and management agreed to implement them all.

**Management Response
Memorandum**

In the Management Reponse Memorandum starting on page 60 they said they have a fundamental disagreement with the basis of the Auditor's recommendations that CPGs are Service Organizations. We acknowledge in the report that City Management stated that the City does not assign processes or responsibilities to the CPGs and CPGs are not delegated any authority. However, we believe that the internal control guidance on external parties, also described as service organizations, conceptually applies to CPGs and City management retains responsibility for monitoring the effectiveness of internal controls over their processes. The City created CPGs, identified responsibilities, established operating procedures, and retains ultimate authority over CPGs. The CPGs are integral components of the City's planning and development project review process as described by the Planning Department and the Council Policy Administrative Guidelines.

We should also note that the findings, conclusions and recommendations in the report are based on our overall evaluation of the program design, implementation, and operation of the Community Planning Groups as prescribed in Council Policy 600-24.

Background

In accordance with the Office of the City Auditor’s Fiscal Year 2018 Audit Work Plan, we conducted a performance audit of Community Planning Groups (CPGs). The objectives of this audit were to determine if CPGs have an effective control environment, if they are in compliance with key elements of Council Policy, and if they are a contributing factor to permit approval delays. A detailed objective, scope, and methodology statement is found in **Appendix B**.

City Planning

San Diego’s General Plan Strategic Framework establishes a “City of Villages” strategy, which focuses growth into mixed-use activity centers that are pedestrian-friendly and are linked to an improved regional transit system. Each unique San Diego community—comprised of varied landscapes and transportation networks—is a building block for San Diego development and utilizes community plans to provide more detailed land use designations and site-specific policy recommendations.

There are more than 50 community plans addressing local issues, such as community urban design, local street and transit networks, and distinctive environmental characteristics. Together, these community plans and the General Plan assist the City’s long-range planning and help guide future growth by viewing problems and potential solutions with a big picture perspective that integrates land use, transportation, the environment, and economics.

What are Community Planning Groups?

There has been long-standing citizen involvement in planning in the City of San Diego (City). The City Council adopted Council Policy 600-24 in 1976, establishing criteria for recognition of Community Planning Groups (CPGs) for the City’s individual communities recognized in the General Plan. CPGs are integral components of this planning process and provide citizens with an opportunity for involvement in advising the City Council, the Planning Commission, and other decision-makers on development projects and land use matters, general or community plan amendments, rezoning and public facilities.

**Community Planning
Group Composition and
Requirements**

Currently, there are 52 communities (See **Exhibit 1**) and 42 recognized CPGs (See **Appendix C**).¹ CPGs are subject to the Brown Act and governed by Council Policy 600-24 which provides detailed guidance regarding Brown Act requirements, bylaws, member eligibility, and violations.² Each group has a minimum of 12 and maximum of 20 eligible volunteer community members who should, to the extent possible, be representative of the specific interests in their community. Per Council Policy 600-24, an eligible community member is at least 18 years of age and is affiliated with the community as a:

1. Property owner – who is an individual identified as the sole or partial owner of record, or their designee, of a real property (either developed or undeveloped), within the community planning area; or
2. Resident – an individual whose primary address of residence is an address in the community planning area; or
3. Local business person – a local business owner, operator, or designee at a non-residential real property address in the community planning area (only one representative of a particular establishment may hold a seat on the community planning group at one time).

For purposes of better representation of unique or diverse community interests, the policy also allows for planning groups to create separate “appointed seats,” which may be given voting rights.

Members serve for fixed terms of two to four years with expiration dates during alternate years to provide continuity. Council Policy sets a term limit, but it also provides an exception to this rule if there are not enough new members to fill all vacant seats.

¹ Two communities, East Elliott and Tijuana River Valley, have no Community Planning Group representation. Eight communities are represented by other Community Planning Groups: the Carmel Valley Community Planning Board represents the Fairbanks Country Club, Pacific Highlands Ranch-Subarea III, Subarea II NCFUA, and Via de la Valle communities as well as Carmel Valley; Carmel Mountain Ranch is combined with Sabre Springs; Rancho Peñasquitos Planning Board represents Torrey Highlands-Subarea IV and Black Mountain Ranch-Subarea I in addition to Rancho Peñasquitos; and the Scripps Miramar Ranch Planning Group represents Rancho Encantada as well as Scripps Miramar Ranch.

² The Ralph M. Brown Act, section 54950 et seq. of the Government Code, governs open meetings for local government bodies.

Other Municipalities

We reviewed similar groups in other cities but found that key differences, such as funding and election processes, make these groups difficult to compare. For example:

- The City of Los Angeles provides each group \$37,000 per year and has a department dedicated to group oversight and management budgeted at \$2.8 million per year;
- Community Board members in the City of New York are appointed by Borough Presidents—elected officials; and
- The cities of San Jose and Seattle do not have community groups. Rather, Seattle has replaced theirs with a Renters Commission made up of 15 appointed members.

A breakdown of the cities and groups we reviewed can be found in **Appendix F**.

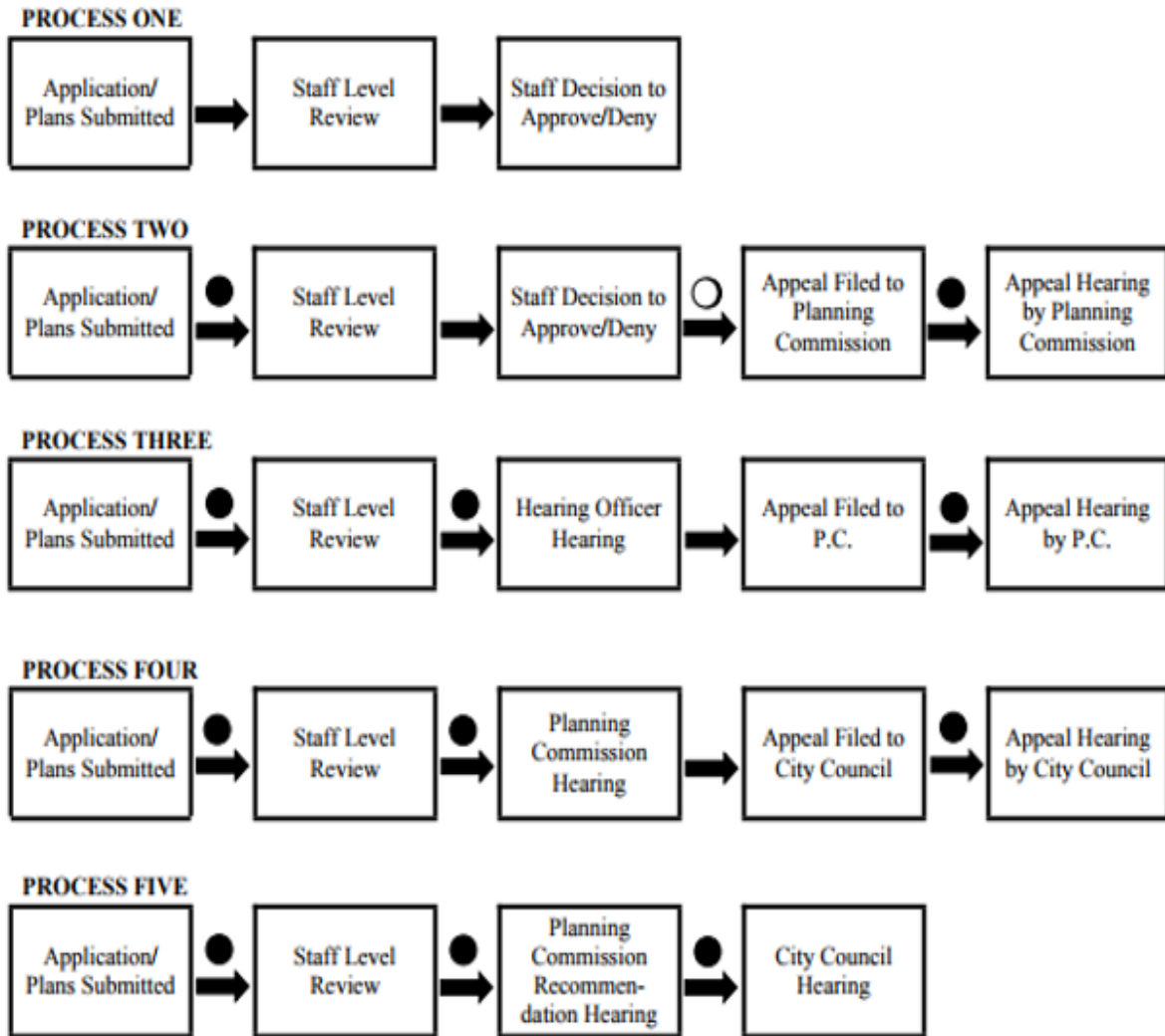
**Development Project
Review**

CPGs are integral components of the planning process and provide citizens with an opportunity for involvement in advising the City Council, the Planning Commission, and other decision-makers on development projects, general or community plan amendments, rezoning and public facilities.

As shown in **Exhibit 2**, CPGs are included in the review of discretionary development projects in the City (Processes Two through Five in the San Diego Municipal Code).

Exhibit 2:

Permit Review Process as Described in the San Diego Municipal Code



Key

- Public Notice to all Property Owners, Tenants, Community Planning Groups within 300 Feet of the *development*, and Anyone Requesting Notice
- Public Notice to Applicant, Community Planning Groups within 300 Feet, and Anyone Requesting Notice

Source: San Diego Municipal Code, Chapter 11, Article 2, Division 5.

CPGs may discuss and make recommendations via public notice and hearings; however, City staff, the Planning Commission, and City Council have the final approval on permit applications.

***Community Planning
Groups' Governing
Documents***

Community Planning Groups are self-governing, advisory bodies that must adhere to Council Policy 600-24 and their own adopted bylaws in order to be recognized and qualify for representation and legal defense by the City.

***Council Policy 600-24,
Standard Operating
Procedures, and
Responsibilities of
Recognized Community
Planning Groups***

Council Policy 600-24 was created to establish minimum standards and provide guidance for organizations operating as City Council officially recognized Community Planning Groups. Council Policy 600-24 was created in 1976 and has undergone several revisions to provide more standardization between groups; the most recent revision was in 2014.

Council Policy 600-24 has nine Articles covering the conduct of CPGs. They are:

- I. **Name:** Covers the official name and boundaries of Community Planning Groups.
- II. **Purpose of Community Planning Groups and General Provisions:** Covers the purpose, scope, City assistance, nondiscrimination, prohibition on political candidate endorsement, forfeiture of rights, and proposal of bylaw amendments.
- III. **Community Planning Group Organizations:** Covers the composition, member eligibility, term lengths and limits, and loss of indemnification for noncompliance with Council Policy.
- IV. **Vacancies:** Covers the process for filling vacancies through resignation, loss of eligibility, or removal.
- V. **Elections:** Covers the conduct of elections, including timing, eligibility, publicizing elections, and voting procedures.
- VI. **Community Planning Group and Member Duties:** Covers the duties of groups and elected members, including cooperation with the City, compliance with the Brown Act, meeting procedures, seeking community-wide understanding and participation, rosters and annual reports, financial contributions policies, and training requirements.
- VII. **Planning Group Officers:** Covers the duties of group officers.
- VIII. **Community Planning Group Policies and Procedures:** Covers required topics in group bylaws.
- IX. **Rights and Liabilities of Recognized Community Planning Groups:** Covers indemnification and representation by the City, Brown Act violations and remedies, and Council Policy 600-24 violations and remedies.

***Attachment to Council
Policy 600-24 Bylaws
Shell***

Council Policy 600-24 is also accompanied by a standardized Bylaws Shell, which contains all the provisions of the policy that each group must follow at a minimum. Individual CPGs may use options within the standardized Bylaws Shell and may expand on the provisions in the policy to better meet the needs of diverse communities; however, all bylaws must remain in conformance with the provisions of the policy to maintain official recognition by the City. CPGs must submit their bylaws to the City Council for approval. Bylaw amendments may be approved by City staff, if they are in compliance with the Bylaws Shell, or by City Council, if they contain deviations from the Bylaws Shell.

***Council Policy 600-24
Administrative
Guidelines***

The Administrative Guidelines are a companion document expanding upon and explaining provisions in Council Policy 600-24. They were first prepared in 1991 and have since been revised four times following major amendments to Council Policy 600-24. The most recent revision to the guidelines was in 2015.

The Administrative Guidelines contain additional descriptions and explanations for each section in the Council Policy. It provides suggested procedures for some CPG activities, such as elections, noticing for meetings, development project review, recusals and abstentions, and addressing violations by CPGs and their members. It describes the minimum requirements as well as suggested additional items for certain documents, such as minutes, rosters, and annual reports.

***Administrative
Guidelines Attachment B
Community Planning
Group Records***

CPGs are not required to retain records according to a schedule as the City is required to do.³ However, CPGs observe the Brown Act, which requires legislative bodies to make available for public review, upon request, agendas and other writings that were distributed to at least a majority of the body members in connection with a matter subject to consideration at an open meeting. The Brown Act does not identify a length of time agendas and other writings must remain available. Because it does not, Attachment B was developed to advise CPGs which writings should be submitted to the City to become City records

³ The City must comply with the Government Code provision requiring identification of records to retain and must adopt specific schedules for length of retention.

to be maintained, how long different types of writings should be retained by groups to be able to fulfill a timely request for public review, and which writings the group may generate or receive that do not need to be retained or made available (See **Appendix E**).

***Community Planning
Committees Information
Bulletin 620***

For the CPGs' specific duty of reviewing discretionary developments, the City provides the Development Services Department Information Bulletin 620 as guidance for the coordination of Project Management with CPGs.⁴ Its most recent iteration is from August 2018.

This document provides guidance on meetings between applicants and CPGs, including preliminary review meetings, and notes that the City encourages early contact with, and a presentation to, the CPGs. It also provides guidance on project submittal and review, including receipt of CPG comments and inclusion in an Assessment Letter, project changes, the environmental review process, and timely submission of recommendations. It also provides a standard form for recording and submitting initial comments and a final group recommendation, including conditions.

⁴ Information Bulletin 620 refers to Community Planning Groups as "Community Planning Committees" or "Committee(s)" throughout.

Audit Results

Finding 1: The City Should Provide Additional Oversight, Guidance, and Training to Community Planning Groups to Ensure that they are Transparent and Comply with Council Policy 600-24 and the Brown Act

Community Planning Groups (CPGs) are recognized by the City of San Diego (City) as the official voice of their community, but they must adhere to Council Policy 600-24 (Council Policy) as well as their City-approved bylaws. During our review we found that the City is providing limited oversight of the CPGs' compliance with the Council Policy and therefore cannot provide reasonable assurance that the CPGs are also in compliance with the Brown Act and afforded the protections identified in the Council Policy. The City provides legal protection, called indemnification, to groups and their members if they adhere to Council Policy. In addition, the 4-hour annual training required only for newly elected members may not be sufficient to develop and maintain a level of competence that allows them to fulfill their assigned duties.

The City's limited oversight, guidance, and training of CPGs may be contributing to CPGs' lack of transparency, inconsistent records retention, and potential non-compliance with Council Policy. Specifically, we found:

- CPGs lack transparency because they are not consistently submitting or retaining documents required by Council Policy;
- We could not verify that members had not exceeded their term limits due to incomplete rosters and ambiguous guidance on retaining election results; and
- Due to the City's ambiguous Council Policy on eligibility requirements, the City's limited oversight and guidance of CPGs, and the autonomy granted to CPGs, there is a risk that renters may not be adequately represented within CPG membership.

To address these issues, we recommend the Planning Department propose updates to Council Policy 600-24, including additional oversight of CPGs' compliance with requirements, additional record retention requirements, annual training for all CPG members, and diverse community representation.⁵

The City set up Community Planning Groups to have autonomy as self-electing, self-managed organizations, responsible for complying with Council Policy

Community Planning Groups are integral components of the planning process and provide citizens with an opportunity for involvement in advising the City Council, the Planning Commission, and other decision-makers on development projects, general or community plan amendments, rezoning and public facilities.

According to the Administrative Guidelines and City staff, CPGs are independent, self-operating, and self-governing entities. As a condition of official recognition, the City has placed the responsibility on the groups to comply with Council Policy, submit required documentation, and investigate and resolve violations. City staff's role is to act as a resource—guiding them to their governing documents when questions arise. The Planning Department also provides training to new board members and each community's designated Planner serves as a point of contact when questions or complaints arise.

According to the Administrative Guidelines, staff advises groups on policy matters, amendments to bylaws, Council Policy 600-24, Brown Act interpretations, and general operating issues, requesting City Attorney assistance when needed. In addition, the guidelines state that Planning Department staff attend CPG meetings periodically.

⁵ Throughout this report, "CPG members" refers to the elected and appointed members of the CPG, not the general membership.

Although the City has deemed CPGs as “self-electing, self-managed organizations,” internal controls guidance considers the responsibility of the City to monitor the effectiveness of CPGs’ internal controls

We reviewed internal controls guidance from the Government Accountability Office (GAO) Standards for Internal Controls (Green Book), as well as the COSO Internal Control Integrated Framework. Internal controls guidance states that management retains responsibility for monitoring the effectiveness of internal controls over the assigned processes performed by external parties.

The Green Book has guidance on the application of internal controls to government entities and external parties. Management may engage external parties to perform certain operational processes for the entity, such as accounting and payroll processing, security services, or health care claims processing. For the purpose of the Green Book, these external parties are referred to as service organizations.

GAO guidance states that management retains responsibility for monitoring the effectiveness of internal controls over the assigned processes performed by service organizations. Management uses ongoing monitoring, separate evaluations, or a combination of the two to obtain reasonable assurance of the operating effectiveness of the service organization’s internal controls over the assigned process.

According to the Green Book, management communicates with, and obtains quality information from, external parties using established reporting lines. Open two-way external reporting lines allow for this communication. External parties include suppliers, contractors, service organizations, regulators, external auditors, government entities, and the general public.

The COSO Internal Control Integrated Framework’s section on Organizational Boundaries states that while activities may be outsourced, management still maintains responsibility for the overall system of internal control. This dependence on outsourced service providers changes the risks of business activities, increases the importance of the quality of information and communications from outside the organization, and creates greater challenges in overseeing its activities and related internal controls. While management can use others to execute activities and controls for or on behalf of the entity, it maintains responsibility for the overall system of internal control. For instance, management maintains responsibility for specifying objectives, managing associated risks, establishing mechanisms to support the functioning of the components of internal control, and selecting, developing, and deploying control activities.

City Management does not consider CPGs to be service organizations as defined in the Green Book. City Management stated that the City does not assign processes or responsibilities to the CPGs and CPGs are not delegated any authority.

However, internal control is a process effected by an entity's oversight body, management, and other personnel that provides reasonable assurance that the objectives of the entity will be achieved. The City created CPGs, identified responsibilities, established operating procedures, and retains ultimate authority over CPGs. In addition, CPGs are integral components of the City's planning and development project review process as described by the Planning Department and the Council Policy Administrative Guidelines. Therefore, we believe that the guidance on external parties conceptually applies to CPGs.

The City provides resources when requested but does not proactively advise or provide oversight to the Community Planning Groups

The City provides resources when requested but does not proactively advise or provide oversight to the CPGs because they are deemed "self-elected, self-managed organizations," which limits the ability of the City to determine compliance with Council Policy 600-24 (Council Policy) and other guiding documents. According to the Planning Department, the department takes a more active role with Community Plan Updates, but this was not included as part of our review.

The Planning Department has a limited number of employees working with the CPGs, constituting a small part of their duties. Main roles for Planning Department staff include participating in planning general transportation, community planning, developing standards and objectives for planning and environmental functions and projects, and performing planning and environmental impact research and analysis projects. Planning Department staff serve as advisors to CPGs and provide support when needed. However, they do not provide oversight to ensure that CPGs submit required documentation to be in compliance with Council Policy and the Brown Act requirements as described in the Council Policy.

An example duty of a Planning Department staff member is to "serve as an advisory and provide staff support to citizen planning committees." Staff strives to attend CPG meetings for their assigned communities on a quarterly basis during regular years and monthly during a community plan update. We reviewed 102 meeting minutes for Planning Department staff presence and found that City staff were present at 44 of the meetings reviewed.

Some City staff presented on informational items, but it was unclear how long staff stayed during each meeting or if they were there to provide oversight.

Current training provided to CPG members may not be sufficient

The City provides training to CPG members, but it is only required once during an elected members' tenure, which can be up to eight or nine years, and no refresher training is currently required. Furthermore, the current training is performed mainly for indemnification purposes, and as discussed further in Finding 2, training on the development review process is limited.

Newly-seated CPG members must complete a 4-hour orientation training session within 60 days of being elected or appointed to a planning group, or the member will become ineligible to serve. This means that members who serve up to eight or nine years are only required to receive training on the Brown Act and all the documentation requirements outlined in Council Policy 600-24 in their first year of service.

This mandatory training is required of each newly elected member in order to comply with the Indemnification Ordinance. The Community Orientation Workshop (COW) training is an overview of the guiding policies and regulations, which provide operational and procedural direction to the CPGs, and a detailed overview of the nine articles of City Council Policy 600-24. Further, the COW training provides a summary of operational responsibilities pertaining to compliance with the Brown Act to ensure that all deliberations and actions are open and accessible to the public. City Planning Department staff provide this training for newly elected members on an annual basis.

There is an electronic version available online (E-COW) at all times in case members cannot make it to the annually scheduled training, but members are not required to review the electronic version as a refresher. In addition, this training mainly focuses on Council Policy 600-24, the CPG Bylaws Shell, the Brown Act, and conducting open meetings.

The Council Policy contains language stating that it shall be the duty of the City to offer at least one orientation session following the March elections each year, as well as topic-specific sessions intended to advance the knowledge of group members in subjects within the scope of responsibilities of CPGs throughout the year. The Planning Department noted that it provides workshops that are available five to six times a year and open to the public, but we found that the 2018 schedule only includes one additional session on the development review process and one advanced workshop on the California Environmental Quality Act (CEQA).

GAO guidance states that it is the management's responsibility to provide sufficient training for individuals to develop and maintain a level of competence that allows them to accomplish their assigned responsibilities. However, as further discussed in the Sub-Findings, we found lack of compliance with Council Policy regarding records documentation and retention. This lack of compliance demonstrates that the current level of training may not be adequately maintaining these skills.

According to one former CPG chair with whom we spoke, the 4-hour training that is completed by new members within their first 60 days of being elected is a good orientation, but not the in-depth training needed for the duties assigned to the CPGs. In addition, we heard from several group chairs that the training is insufficient.

As further discussed in the Sub-Findings, because of the autonomy granted to the CPGs and the lack of oversight from the City, the City does not monitor compliance with Council Policy, compliance with bylaws, eligibility to serve, term limits, attendance, compliance with the Brown Act, or the CPGs' major actions related to large projects and policy matters. The City may therefore not be aware of potential violations of the Council Policy and the Brown Act. Violations of the Brown Act may, in some circumstances, carry civil or criminal consequences, and the right to indemnification and defense by the City depends on compliance with Council Policy and the Brown Act.

According to the Indemnification Ordinance attached with the Council Policy, the City indemnified CPGs and their members to prevent the "collapse of the process that provides essential citizen participation" because of concerns about "possible exposure to litigation arising from participation in the planning process."

However, since groups and their members are only indemnified so long as they abide by the provisions in the Council Policy, their potentially unintentional violation of this policy, whether due to lack of oversight or training, places the groups and their members at risk of potential litigation and subject to civil remedies. Civil remedies may include relief to prevent or stop violations of the Brown Act, or to void past actions of a CPG and may in some cases include payment of attorney's fees.

Additionally, a lack of transparency may lead to public speculation which could damage the reputation of both the City and the CPGs. According to Deloitte's "Managing Reputation Risk," customers are the most important stakeholders, and managing customer expectations and perceptions is critical to success. The responsibility for managing this risk lies at the highest levels of the organization.

Sub-finding #1.1: Community Planning Groups lack transparency because they are not consistently submitting or retaining documents required by Council Policy

We found that Community Planning Groups (CPGs) are not consistently submitting and retaining required documents, or the documentation is incomplete. Specifically, we found that CPGs are not consistently submitting complete rosters and annual reports to the City of San Diego (City), as required by Council Policy; are not consistently following requirements for meeting minutes; and many of the documents we reviewed that were submitted were incomplete or deficient. As a result, CPGs may lack transparency and may be at risk of violating Council Policy and the Brown Act, which can potentially lead to civil or criminal penalties.

These issues are exacerbated by the lack of adequate oversight, guidance, and training on the part of the City. As previously mentioned, the City provides limited guidance and training to the GPGs. The City provides resources when requested, but does not proactively advise or provide oversight to the CPGs to ensure they submit required documents because they are deemed “self-electing, self-managed organizations.”

The Council Policy requires CPGs to submit certain public documents that demonstrate their operations and accomplishments

Council Policy 600-24 (Council Policy) states that it shall be the duty of CPGs to maintain and retain a current, up-to-date roster of the names, terms, and category/qualifications of elected and appointed group members. It shall also be the duty of the CPG to forward the current roster, as well as any updates, to the City.

Per the Council Policy, CPGs must also submit to the City each year an annual report of accomplishments for the past 12 months and anticipated objectives for the coming year. The Administrative Guidelines are more expansive on the subject. Annual reports are a way for CPGs to highlight their accomplishments to the City and anyone interested in the community. Reports should be five pages or less, and suggested topics include, but are not limited to, the following:

- Community Planning Group Objectives;
- Administrative Matters: number of meetings of the CPG and subcommittees;
- Members Summary: number of members, turnover, elections;

- Community Plan Preparation, Amendments, or Implementation;
- Special Projects;
- Overall Summary of Project Review & Community Development; and
- Activities of Associated Community Organizations such as BIDs or CDCs that the planning group participates in.

The Administrative Guidelines note that rosters and annual reports are two important documents that CPGs create and turn over to the City. Both are important public documents that demonstrate the operation of a CPG and its compliance with Council Policy and both are disclosable under the Brown Act according to Council Policy. Providing a City-use roster gives staff the ability to determine CPG member compliance with Council Policy rules governing eligibility to serve, and allows staff to efficiently transmit information on projects, training sessions, and other City meetings and functions that may be of interest to particular groups. The Administrative Guidelines state that most CPGs collect roster information from application forms used to recruit prospective candidates. A public-use roster discloses information about community planning group members that demonstrates their legitimate eligibility to occupy a group seat.

In addition to the requirements for rosters and annual reports, for each CPG meeting, a report of member attendance and a copy of approved minutes shall be available for public inspection. A copy of the approved minutes shall be submitted to the City within 14 days after approval by the CPG. If the CPG maintains a website, the approved minutes shall be posted within 14 days after approval by the group. In accordance with the Council Policy, the minutes of each CPG's meetings shall include:

- The group members who constituted a quorum at that meeting; and
- The votes taken on each action item, including the group members who voted for, against, or abstained on the item.

The CPG record retention requirements are included in Council Policy 600-24, under **Attachment B** (see **Appendix E**). CPGs must submit these rosters, minutes, and annual reports to the City and the City should retain these documents for at least two years. In a City Attorney Memorandum from April 24, 2013, it is noted that “If a CPG properly performs its responsibilities under Council Policy 600-24, the CPG is officially recognized by the City and the group or group member is entitled to legal representation and indemnification. One such responsibility is record retention. Thus, once the Planning Division established a retention schedule, as well as collection and storage methods and notifies the community planning groups of the method and their responsibilities, the groups must comply or risk loss of representation and indemnifications.”

CPGs are not consistently submitting required documents to the City, and many of the documents that were submitted were incomplete or deficient

We found that the City did receive most of the rosters as required by Council Policy 600-24. However, a majority of the rosters that were received were deficient in some aspect.

We reviewed rosters that the City had received from the groups in 2017. The City had 40 of 42 rosters. We found that 30 of the 40 rosters did not include the minimum information (start year of service, term end, eligibility category): 24 were missing the start date of service, 15 did not show seat or eligibility category, and 10 did not show the term expiration.

In addition, although Council Policy requires the CPGs to submit annual reports to the City, we found that the City only received a total of two annual reports in a two-year period.

We reviewed the minutes the City received from the groups for 2016 and 2017 and found that the City only received minutes from 34 of the 42 active CPGs, and in 2017, 3 of those 34 groups did not submit any minutes. Of the 523 minutes provided to the City, we sampled 102 (3 from each group) to review for compliance with Council Policy 600-24. We found that many (38 out of 102) of the minutes the City received from the groups did not contain sufficient information to ensure compliance with the Council Policy and the Brown Act. Specifically, we found that many meeting minutes did not consistently record the votes taken on each action item with the group members who voted for, against, or abstained on the item.

This incomplete and missing documentation prevents the City from being able to monitor compliance, and impacts the transparency of the CPGs

Rosters, annual reports, and meeting minutes are essential for verifying eligibility category, term limits, voting records, and group accomplishments. Without complete documentation, the City cannot monitor CPGs compliance with Council Policy and the Brown Act requirements as described in the Council Policy. As mentioned earlier, violations of the Brown Act may, in some circumstances, carry civil or criminal consequences, and the right to indemnification and defense by the City depends on compliance with Council Policy and the Brown Act.

Unlike other cities we looked at, the City of San Diego's Community Planning Groups are operated by volunteers with a minimal amount of City funding or guidance. A significant amount of time and effort is made by these volunteers to advise the City on land use and other matters, but without full transparency, the amount of work put in by CPGs and their performance is unclear. It would be beneficial to these groups for the City to consistently collect the required documentation and post it for public review.

Sub-finding #1.2: We could not verify that members had not exceeded their term limits due to incomplete rosters and ambiguous guidance on retaining election results

We found that the City of San Diego (City) does not require retention of elections results, and Community Planning Groups (CPGs) do not consistently retain them. In addition, we did not find any CPGs that could provide enough past rosters for us to verify that current members had not exceeded their term limits. For the rosters that were provided, groups inconsistently documented required information, such as the start of service and term end years. Furthermore, no groups provided evidence of a two-thirds vote for members elected past their term limits, and no groups provided election results to verify that vacancies existed.

Although we could not verify that members had not exceeded their term limits, there is a risk that CPGs may be out of compliance with Council Policy by having members serve past their term limits. There is also a risk that some positions have not been opened to new applicants, thereby limiting participation opportunities for other interested members of the community.

Council Policy outlines term limits and exceptions to term limits for CPG members

Per Council Policy 600-24, members of CPGs shall be elected to serve for fixed terms of two to four years with expiration dates during alternate years to provide continuity. No person may serve on a CPG for more than eight consecutive years if members are elected to two- or four-year terms, or nine consecutive years if members are elected to three-year terms. The eight- or nine-year limit refers to total service time, not to individual seats held. After a one-year break in service as a community planning group member, an individual who had served for eight or nine consecutive years shall again be eligible for election to the group. In addition, the number of members serving more than eight or nine consecutive years shall in no case exceed 25 percent of the elected members of the group.

Council Policy 600-24 provides an exception for CPGs to retain some members who have already served for eight or nine consecutive years without a break in service if:

- 1) There are fewer candidates than vacant seats; and
- 2) That person is re-elected to a remaining open seat by at least a two-thirds majority of the votes cast in the regular election.

According to Council Policy 600-24, Attachment B Community Planning Group Records, current rosters should be available as should any past rosters used to determine length of term of current elected members.

At least some CPGs have members serving over their term limits, but we could not verify whether those members meet exception requirements

Although most CPGs did not retain enough past rosters for us to verify that current members had not exceeded their term limits, based on the information available, we found that at least some CPGs have members serving past their term limits. Specifically, we found that eight of the current rosters provided showed 24 total members serving past their eight- or nine-year term limit. Additionally, we found one CPG with 50 percent of its elected board members serving past their term limits. Although there are some exceptions to term limits, the CPG did not provide information to verify that the exceptions applied.

Council Policy does not require election reports to be retained by CPGs and the City does not proactively request them

Per the Council Policy Bylaws Shell, an election becomes final after announcing the election results at a noticed group meeting. The Chair is responsible for preparing, certifying, and forwarding the election report to the City. However, the election report is not described in the policy, and it is not part of the record retention requirement. Furthermore, the City does not proactively request the reports.

The Council Policy Bylaws Shell reads, "The Chair is responsible for preparing, certifying and forwarding the election report to the City," but according to staff, the City has received very few election reports and focuses primarily on obtaining the new roster rather than proactively requesting the reports. Election results are not part of the record retention schedule. Election Results could be used to confirm that the exceptions noted in policy were met during the elections.

Another way to verify term limits as described in the Council Policy is through rosters. The Council Policy states that it shall be the duty of CPGs to maintain and retain a current, up-to-date roster of the names, terms, and category/qualifications of elected and appointed group members. However, as further discussed in Sub-Finding 1.1, we found that rosters were incomplete, and therefore are not serving their stated purpose.

There is a risk that participation opportunities for other members of the community may be limited due to current members serving over their term limits

In addition to potentially being out of compliance with Council Policy, CPGs may be limiting participation opportunities for other interested members of the community by allowing CPG members to serve over their term limits. Since the City does not require retention of election results and rosters were incomplete, there is a risk that some positions have not been opened to new applicants.

Sub-Finding #1.3: Due to Council Policy 600-24's broadly defined eligibility requirements, there is a risk that renters may not be adequately represented within Community Planning Groups membership

According to Council Policy, members of Community Planning Groups (CPGs) shall, to the extent possible, be representative of the various geographic sections of the community and diversified community interests; yet, the Bylaws Shell allows groups to fill their elected seats however they like as long as the members are "eligible" per the Council Policy. Additionally, the Council Policy does not clearly define the difference between two of the three membership categories—a property owner may also be resident and vice versa—and does not specifically state that renters should be included.

Furthermore, we could not verify the eligibility categories of all members for the CPGs we reviewed because there is no retention requirement for proof of eligibility. We were also unable to determine whether renters, which we found make up approximately half of the community populations we reviewed, were represented. As a result, there is a risk that the CPGs are not representing their diverse community interests, as defined by Council Policy.

Council Policy tasks CPGs with representing diverse community interests

According to Council Policy, it shall be the duty of CPGs and their members to periodically seek community-wide understanding of and participation in the planning and implementation process, and to give due consideration to all responsible community attitudes if deemed to be in the best long-range interest of the community.

CPG members shall be elected by and from eligible members of the community. To be an eligible community member, an individual must be at least 18 years of age, and shall be affiliated with the community as a:

- 1) Property owner, who is an individual identified as the sole or partial owner of record, or their designee, of a real property (either developed or undeveloped), within the community planning area; or
- 2) Resident, who is an individual whose primary address of residence is an address in the community planning area; or

- 3) Local business person, who is a local business owner, operator, or designee at a non-residential real property address in the community planning area; only one representative of a particular establishment may hold a seat on the Community Planning Group at one time.

CPGs have the option of filling their seats with no specific breakdown of the eligibility categories

CPGs are given several options in how they fill their elected seats. They are given options to:

- 1) Fill with any eligible member (property owner, resident, or local business person) with “no further restriction on the distribution of seats among interests in the community”; or
- 2) Distribute the seats among the following interests that represent the community: # seats for property owners, # seats for residents, and # seats for business representatives; or
- 3) Use a geographic distribution of seats among census tracts or neighborhoods or other geographical subdivisions.

As shown in **Exhibit 3**, we reviewed the CPG member distributions as outlined in the bylaws for a sample of 19 CPGs and found:

- Seven groups chose to have no further restrictions on the distribution of seats among interests in the community (option 1);
- Four groups had distributed members either by eligibility category or by geographical sections of the community (option 2 or 3); and
- The remaining groups distributed their membership further.

Exhibit 3:

40% (134 of 327) of Elected Members in our sample have no defined community representation other than being “eligible” per policy

Voting Members Distribution							
Planning Group	Total No. of Voting Members (incl. appointed members)	No further restriction besides eligibility requirements.	Resident or Property Owner	Geographic	Both Residential and Geographic	Business Representative	Special Interest
University	20				9	9	2
Del Mar Mesa	13		3		4		6
La Jolla	18	18					
Pacific Beach	20			15		5	
Mission Beach	15			15			
North Park	15	15					
Old Town	15	10*	5				See *
Skyline-Paradise Hills	20	20					
Eastern Area	15	1		13		1	
Rancho Peñasquitos	20				16		4
San Pasqual Valley	16	3	5	4			4
Clairemont Mesa	16	16					
Kearny Mesa	16	16					
Navajo	16			16			
Mission Valley	24		18			6	
Otay Mesa Nestor	16	16					
Barrio Logan	15**		7			6	2
City Heights	22	4		11		3	4
Kensington-Talmadge	15	15					
TOTAL	327	134	38	74	29	30	22

*Bylaws include an option for representatives from active community groups within Old Town but does not specify a number.
 **Barrio Logan has 2 non-voting appointed members not included in this total. They represent the United States Navy and the Unified Port District.

Source: Generated by the Office of the City Auditor from CPG bylaws.

Renters make up approximately half of the populations served by the CPGs we reviewed, but because of Council Policy definitions, it is unclear if they are included in CPG membership

We were unable to determine whether renters are currently represented because the Council Policy does not specify that they should be included, and CPGs do not always record sufficient information on eligibility category for each member. As the eligibility requirements above demonstrate, although renters may fall under the category of residents, property owners may also be considered residents, and the category of renter is not specifically included. As a result, there is a risk that renters may not be represented on some CPGs. During our planning phase, we noted that the City of Seattle has established an entire commission made up of renters in order to capture this group.

There may be a need to more specifically state that renters should be included because we found that they make up a significant portion of the populations served by the CPGs we reviewed, yet only three CPGs from our sample defined this category on their rosters. Specifically, we reviewed the SANDAG census profiles (See **Appendix D**) that the City of San Diego (City) attached to each community’s page on the City website showing the different demographics in each

community. For example, the profiles track the number of renters in a community. From these census profiles, we found that renters make up approximately half of the occupied housing in our sample.

Member Eligibility Category could not be identified and in some cases, eligibility could not be verified for CPG members

As shown in **Exhibit 4**, we reviewed available documentation (rosters, membership applications) from 18 groups (313 total seats) to determine eligibility category of their 2017 board seats. There were 17 vacancies, leaving 296 current members. We were unable to identify the eligibility category for 65 of the 296 members. Furthermore, 35 members did not list an address or have a membership application, leaving the City without evidence of member eligibility or category.

Exhibit 4:

Elected Members Categories for Sample (18 included)

Eligibility Category	Number of CPG Members	Lacking Evidence of Member Eligibility
Property Owner	48	1
Resident	109	14
Business Representative	43	3
Special Interest Group	13	0
Renter*	9	0
Both Property Owner and Business Rep.	4	0
Both Resident and Business Rep.	3	0
Youth	2	1
Category Not Identified	65	16
Total	296	35

*Only three groups classified “renters” on their roster.

Source: Auditor generated from provided rosters and membership applications.

Although Council Policy requires CPGs to verify eligibility of members, there is no records retention requirement for proof of eligibility

Per the Council Policy, CPG members shall be elected by and from eligible members of the community. According to the bylaws shell, the groups shall require proof of eligibility during elections. However, there is no specific records retention requirement for proof of eligibility.

Demonstration of individual eligibility to vote as a property owner, resident, or local business person, may be achieved through a membership application showing evidence of qualifications. Once eligibility to vote in an election is established,

an individual remains eligible until he or she no longer meets the eligibility requirements. However, initial eligibility to vote could have been established years ago and many groups either do not use applications since they are not required to, or do not keep them on file after the election results.

The City cannot monitor compliance with eligibility requirements and cannot ensure that positions are open to renters

Because Council Policy does not distinctly define membership categories to include renters and proof of eligibility is not retained, the City cannot ensure that the CPGs are representing the diverse needs of their communities. In addition, there is a risk that renters who may want to serve on their CPG may not be given the opportunity to. Furthermore, an inability to define the composition of these groups may be fueling the perception that CPGs are homogenous and unrepresentative of their greater communities.

Recommendation #1:

To help ensure Community Planning Group (CPG) transparency, compliance, diverse community representation, and performance, we recommend that the Planning Department develop a proposal for City Council to consider revisions to Council Policy 600-24 and the Administrative Guidelines to Council Policy 600-24 to include, but not be limited to:

- a) Requiring annual training for all CPG members, not just new members;
- b) Expanding the components for the annual report to include a member summary (number of members, turnover, elections), overall summary of project review with voting results, the number of times the applicant presented to the group per project and any major modifications to the project proposed by the group (also see Finding 2);
- c) Including election results in the record retention requirements;
- d) Defining CPG representation to include a distinct category for renters and consider setting a minimum number of seats for that category;
- e) Making Membership Applications mandatory and subject to record retention requirements;

- f) Identifying deadlines for CPGs to provide the Planning Department with rosters, minutes, and annual reports, so that the Planning Department can post them online to ensure this information is available to the public in a centralized location; and
- g) Ensuring that the CPG rosters, annual reports, and meeting minutes contain all the required elements as described in Council Policy 600-24 through proactive monitoring of those documents. (Priority 2)

Finding 2: Lack of Transparency and Oversight of The Community Planning Groups Development Review Process Has Led to Some Confusion Over Their Role and Has Made It Difficult to Analyze Their Performance and Influence

Community Planning Groups (CPGs) are integral components of the planning process and provide citizens with an opportunity for involvement in advising the City Council, the Planning Commission, and other decision-makers on development projects, general or community plan amendments, rezoning and public facilities.

However, we found that a lack of oversight of the CPG review process has made it difficult to analyze their performance and influence. Specifically, we found that data is insufficient to determine whether the CPGs' review of development projects cause delays in the process, and CPGs do not have clear deadlines for reviewing projects. To provide their advice in a timely manner, CPGs are required to provide their recommendations in an official format and are encouraged to do so by the end of the environmental document public review period. However, we were unable to find sufficient and reliable evidence of the dates of CPG recommendations, and the public review period is not applicable to all projects. Furthermore, the City does not have a mechanism for tracking applicant time with CPGs. Therefore, the City is unable to assess the time spent by applicants communicating, docketing, and presenting to CPGs.

In addition, we found that lack of transparency regarding the CPG review process has led to some confusion over CPGs' role. Sometimes the role of the CPGs and their purview is not clearly communicated to the applicants, and some applicants are not aware that CPG review does not necessarily impact the timeline of the City's review process. Furthermore, current training provided to CPGs is focused on indemnification and is not sufficient for preparing CPGs for their role in the project review process.

To ensure the City and other stakeholders have sufficient information to analyze CPG performance and influence, we recommend the Planning Department work with the Development Services Department (DSD) to improve its

documentation of CPG recommendations, publicly post CPG project recommendations, and propose revisions to Council Policy 600-24 to require specific documentation and a clear due date for project recommendations.

To ensure that applicants fully understand the role of CPGs and their impact on the project review process, we recommend the Planning Department work with DSD to communicate a clear message to applicants about CPGs' role in the project review process.

To ensure that CPGs do not make unenforceable project approvals, we recommend the Planning Department, in consultation with relevant City departments, provide a more comprehensive training program that includes a mandatory training segment focused entirely on project development reviews and sessions open to both CPG members and the public to increase understanding of the review process.

City guidance for CPG project recommendation deadlines is unclear, yet CPGs risk losing their rights to represent their communities if they do not provide recommendations in a timely manner

CPGs are included in the development review process from the very beginning, and according to Council Policy, a group's consistent failure to review and reply to the City in a timely manner shall result in the forfeiture of the CPG's rights to represent its community.

However, we found that City guidance for CPG project recommendation deadlines is unclear. Specifically, per Council Policy 600-24 (Council Policy), preliminary comments on projects may be submitted to the City during the project review process, and whenever possible, formal CPG recommendations should be submitted no later than the end of the public review period offered by the environmental review process.⁶ The Council Policy goes on to state that substantive changes in projects subsequent to completion of the environmental review process will merit further evaluation by a CPG. This will provide staff and the project applicant the opportunity to respond to the comments or concerns and potentially resolve possible conflicts before the project is noticed for discretionary action. In addition, not all projects have the same environmental review process and DSD may exempt some projects from preparing an environmental document subject to a public review period.

⁶ If DSD determines the project must prepare an environmental document—including a negative declaration, mitigated negative declaration, or environmental impact report—the public has the right to review the draft environmental documents in line with State guidelines, which varies from 20 days to 60 days.

In addition, the Administrative Guidelines for Council Policy 600-24 insert language that describes a recommendation due date based on a “point of reasonable certainty.” Some CPGs identify this “point of reasonable certainty” as the start of the public review period of the environmental document. However, this review period can vary from 20 to 60 days and may not occur at all if DSD determines no environmental document needs to be prepared. Other CPGs identify this point as early as when DSD issues its first or second Project Assessment Letter to the project applicant. Some CPGs may defer action on a development project that has reached a “point of reasonable certainty” if it thinks there has not been ample and fair opportunity for community comment. To prevent this situation, some CPGs readily accept or seek out early informational presentations by project applicants during the project development phase, especially on large, complex, or controversial projects.

A CPG generally should act only one time to provide a formal recommendation on a proposed development project. At the time of a CPG’s formal recommendation, a project should be designed to a “point of reasonable certainty” where a group vote can comfortably recommend approval, denial, or additional conditions about a project that is essentially the same project that will be considered by the decision-maker such as the Hearing Officer, the Planning Commission, or the City Council.

DSD Information Bulletin 620 (Bulletin 620) has additional information on timing of the CPG project submission.⁷ The project schedule should allow for the CPGs to have an opportunity to review and make recommendations on a timely basis. In the event the CPGs require additional time above and beyond the project schedule to review and make their recommendation to the decision-maker, a request in writing for an extension shall be directed to the Deputy Director of the Project Management Division. This request shall outline the circumstances necessitating this need and the length of time of the extension. As a result, the due date for CPG project recommendations is unclear, making it difficult to determine if the recommendations were submitted on a timely basis or if they caused delays in the process.

⁷ Bulletin 620 refers to the Community Planning Groups as “Community Planning Committees” and references them as “Committee(s)” throughout.

In contrast, we found that other cities, such as the City of New York, have clear deadlines for their community boards. Specifically, the City of New York requires its Community Boards, which serve in an advisory role in land and zoning issues, to hold a public hearing and submit written recommendations to the City Planning Commission within 60 days after receiving a certified application from the Department of City Planning. If a recommendation is not provided in that time, the process continues.

Records are Insufficient to Determine Whether Community Planning Groups Cause Delays in the Project Review Process

It was difficult to determine if CPG project reviews caused permit approval delays. We found that CPG project recommendations on file at the City were incomplete and the date submitted as recorded in DSD's project tracking system (PTS) was not reliable. We also found that the City does not track applicant time spent communicating, docketing, and presenting to CPGs.

According to the Planning Department's training for CPGs and developers given on September 20, 2018, CPG recommendations are to include actual vote count, list conditions and clarify if the applicant agreed to conditions, provide backup documentation, and should relate the recommendations to the project findings. The materials should be provided to the Project Manager "the sooner the better!"

However, we found that DSD's data related to CPG project review is often incomplete and unreliable. We randomly sampled 205 projects from discretionary permit data provided by DSD for permits issued in Fiscal Years 2016 and 2017 with an application date no earlier than January 1, 2013. We reviewed data in DSD's PTS for evidence of review times. Of the 205 randomly sampled projects, 14 did not have a CPG identified. An additional 103 lacked either a recommendation date, an environmental review date, or both in PTS. We reviewed source documentation for 59 projects. Of these 59 projects, we could only verify that 43 had dates reasonably consistent with those recorded in PTS. As a result, we concluded that data in PTS was not sufficiently reliable to make a determination as to the timeliness of CPG reviews.

According to Bulletin 620, "Coordination of Project Management with Community Planning Committees," the outcome of the group's actions shall be provided to the Project Manager in an official correspondence (the Distribution Form, meeting minutes, or a letter from the Chair) to be included in the report to the decision-maker.

We examined the type of source documentation contained in DSD's project files. We found that 22 of the 59 files had meeting minutes to support the group vote, 18 had some type of formal correspondence—such as a memo or letter—from the CPG chair, 11 used the Bulletin 620 distribution form, and 2 had an e-mail from the chair. The project files did not contain source documents for 7 projects.

Due to the data reliability problems in PTS, we were unable to review the overall CPG approval rates using PTS. However, we did review Hearing Officer reports and Planning Commission reports that contained CPG project recommendations for Calendar Years 2016 and 2017, which contain Process 3 and Process 4 projects. This resulted in 299 projects for review, but the City did not have a group recommendation for 11 projects. Of the remaining 288 projects with recommendations, CPGs approved 263 projects and denied 25 projects. Of these 25 denied projects, the City still approved 21.

As discussed later in this finding, it is also important to note that Community Planning Group recommendations are advisory in nature and it is not a Council Policy requirement that the group submit a recommendation for every project.

Applicant level of effort and time spent presenting projects to CPG groups is not known by the City

PTS and project files contain project review information that shows the time and effort of the project applicant in completing the steps necessary to obtain project approvals from the City. However, there is no documentation that specifically shows the level of effort by the applicant to gain CPG project approval. Additional time could be spent by applicants as they present their projects to CPGs or change project conditions per CPG request.

Applicants are encouraged to present to CPGs early during the review process. Per Bulletin 620, The applicant will be responsible for contacting the CPGs if they choose to discuss the project prior to submittal of their application to the City. The City encourages early contact with, and a presentation to, the CPGs. The Administrative Guidelines has a section on "Conceptual Presentation," which states: "A project applicant may want to get the 'sense' of a community's view about their future or not-yet-submitted development project. A community planning group may be asked to schedule an item for a 'big picture' discussion of a proposed project, perhaps with an accompanying community plan amendment. This early discussion benefits both the applicant and the community planning group, but a group is strongly

advised not to take any position on any aspect of a future project before it has undergone some level of staff analysis.”

The guidelines go on to state that notification to the applicant should be made well in advance of the meeting and deference to move the item to another meeting should be given if requested by the applicant. ***Attendance by the applicant is at their discretion*** (emphasis added by Auditor).

Without better documentation on file at the City in a form readily available to the public, it is difficult to determine timeliness of CPG recommendations. It is also difficult to determine the time applicants are spending obtaining CPG recommendations without a standard submittal form that contains project conditions proposed by the CPG, clarification if the applicant agreed, backup documentation (meeting minutes), relation to project findings, and the number of times the applicant presented to the group.

The role of CPGs, the process of CPG review, and how it impacts overall project review is not adequately communicated to applicants/developers

According to DSD Project Managers, although CPGs are advisory, and Project Managers inform applicants of their advisory nature, applicants “get the message.” It was our understanding that “the message” is that CPG recommendations are de facto required, as decision-makers will be less supportive if they do not receive a recommendation.

We found that sometimes the role of the CPGs and their purview is not clearly communicated to the applicants. According to Council Policy, the groups are “advisory,” but we found that DSD is inconsistent in its internal notes and in communicating the expectation of the CPGs in the project tracking correspondence sent to applicants. Some DSD Project Managers note the CPG recommendation as “Required” while other Project Manager’s note it as “Recommended”. The message to the applicants also varies by Project Manager. The following entries in PTS show information provided by DSD Project managers to applicants (emphasis added by Auditor):

“This group is officially recognized by the City Council as a representative of the community, and as an ***advisor to the City*** on actions that would affect the community.”

"It is ***strongly suggested*** that the applicant present their project to the Community Planning Association for their information and obtain a formal recommendation from this association."

"A Process 2, Neighborhood Development Permit, ***does not require*** a recommendation from the Planners ***although staff does recommend*** you get one."

"The ***decision-makers will consider the recommendation*** of the local planning group in formulating their decision. It is ***strongly suggested*** the applicant present their project to the Planning Board for their information and obtain a formal recommendation from this association."

"While the planning group recommendation is ***not required by law***, it is ***strongly suggested*** by the department that you present the project to the group and gain their support."

In a DSD letter to an applicant, the Project Manager stated, "The Development Services Department will generally formulate a formal recommendation for your project subsequent to completion of the following milestones: 1) After the City Council recognized Community Planning Group has provided a formal project recommendation; 2) After all City staff project-review comments have been adequately addressed; and 3) During the final stages of the environmental review process."

And finally, trainings including the COW breakout session "Development Review Process" and a Planning Department workshop presentation "What to Know When Reviewing Public and Private Development Projects" both state that ***CPG recommendation is required*** under Discretionary Approvals (*emphasis added by Auditor*).

As shown above, applicants are provided with conflicting information, sometimes referring to CPG review as strongly suggested or recommended and sometimes stating that CPG recommendation is required. One could reasonably infer from the above that CPGs are de facto required for permit approval.

The City review process proceeds independent of CPG reviews, but applicants may be under the impression that CPG review delays the City's permitting process

According to DSD Project Managers, applicants report frustration with CPGs and feel like CPG review delays their project review. However, the City review process proceeds regardless of interactions between applicants/developers and CPGs. Although some CPGs may request additional information and delay placing items on the agenda, DSD reports this does not slow down the City's permitting process.

The Council Policy states that a CPG may not, as a condition of placing an item on their agenda, require applicants to submit additional information and materials beyond what the applicant has been required to submit as part of the City's project review application process. The Administrative Guidelines goes on to state: "However, if during project review the group identifies additional materials that would aid in their review they may make a request of the project applicant to provide them, if available. A Community Planning Group should not base its vote, or hold up the item at the group, because additional information is not provided."

CPGs are sent project packages for review from DSD that include a cycle issues report, a site plan, and other plans and background information needed for project review, but the policy leaves it open for the CPGs to request additional information that could cause delays in the review process, especially if the information is not part of the City's project review process. Additionally, we observed CPG members declare they would not vote on a project until they received certain materials, such as a traffic or environmental study.

As mentioned earlier, CPGs can submit their recommendations to DSD via the Distribution Form, meeting minutes, or letter from the Chair. In the September Project Review Workshop, it was stated that CPG recommendations include actual vote count, list of conditions and if applicant agreed, backup documentation, and how the recommendation relates to the project findings.⁸ The documentation we reviewed was not consistent in containing all of these elements and not all CPG recommendations are posted to the City website for public review.

⁸ Basic Findings—The proposed development will not adversely affect the applicable land use plan; The proposed development will not be detrimental to the public health, safety and welfare; and the proposed development will comply with the applicable regulations of the Land Development Code, including any allowable deviations pursuant to the Land Development Code.

According to DSD Project Managers, DSD's role is collecting information and forwarding it to the decision-maker and CPG recommendations are one of these pieces of information. According to DSD, some CPGs will delay placing items on the agenda or request additional information beyond what is traditionally provided. However, DSD project managers stated that this does not slow down the City's permitting process.

The City does not provide sufficient training to CPGs and developers and does not provide feedback to CPGs regarding their recommendations and the City's final decisions

The training currently provided to CPGs is not sufficient to cover all of the duties and requirements placed on the CPGs and is provided primarily for indemnification. Although the current training is designed to cover topics necessary for indemnification, GAO guidance states that it is the City's responsibility to provide training that enables individuals to develop competencies appropriate for key roles. Furthermore, that training should be tailored based on the needs of the role and aimed at meeting changing organizational needs.

Moreover, development review training was not required and was only provided as an optional breakout session in 2017. We found that at the 2018 Community Orientation Workshop, development review training was part of the regular agenda rather than a breakout session. However, the online version of the Community Orientation Workshop (COW), which satisfies the training requirement, does not contain information on project review beyond noticing and providing time for an applicant to present. Per Council Policy 600-24, a CPG reviewing individual development projects should focus such review on conformance with the Land Development Code, adopted Community Plan, and/or the General Plan. Therefore, CPGs should receive training on how to conduct such a review.

We were told in an interview that training is only provided for conducting public meetings and was never intended to cover land development review. The Planning Department noted that these break-out sessions are available five to six times a year and open to the public, but the 2018 schedule only includes one additional session on the development review process and one advanced workshop on the California Environmental Quality Act (CEQA). The notice for the CEQA workshop specifically states that "This training is for elected members of Community Planning Groups."

Newly-seated CPG members must complete a 4-hour orientation training session within 60 days of being elected or appointed to a CPG, or the member will become ineligible to serve. However, we heard from several group chairs that this training is insufficient. Additionally, this training is only required one time for the newly elected members. This means that members who serve up to eight or nine years are only required to receive training on the Brown Act and all the documentation requirements outlined in CP 600-24 in their first year of service.

We interviewed parties involved with CPGs, and individuals from both the City and CPGs stated that the current training is not adequate to cover CPGs' key role of providing community input on discretionary permit review. Most notably, former Planning Department staff indicated that CPGs were integrated into the permitting process through City practice rather than formal requirement, and that the provided training was never intended to train members on the Land Development Code—a criteria included in the Council Policy for CPG review. Individuals involved in CPGs indicated that this lack of sufficient training could potentially lead to wasted time involving out-of-scope issues or making recommendations that are not credible.

With little to no training, CPGs continue to be involved in the discretionary review process. In addition, several CPG Chairs stated, and DSD confirmed, that the City does not provide feedback to the groups regarding their development review recommendations or the City's final decisions. DSD stated that if a CPG provides unenforceable recommendations, they will address them in the staff report to the final decision-maker. This is a public document available on the City's website and CPG members may access it if they choose. However, according to DSD staff, if the project does not require a staff report, then CPGs need to reach out to the City for follow up. As a result, CPGs do not receive direct feedback from the City informing them of why certain recommendations may be deemed unenforceable. In absence of this information, and without additional training on the development review process, CPGs may unknowingly continue to make unenforceable recommendations, which may result in a waste of time and effort on the part of the CPGs, applicants, and the City.

Due to the lack of oversight and transparency, the City and CPGs face reputational risk

In the past year, the San Diego Housing Commission, Circulate San Diego, and the San Diego County Grand Jury examined Community Planning Groups and found overlapping concerns about representativeness and openness, transparency, and potential delays in the permitting system. All three reports relied heavily on interviews and media articles. GAO guidance states that government entities report not only to the head of the government, legislators, and regulators, but to the general public as well, and to consider appropriate methods when communicating with such a broad audience. The CPGs' annual reports, which are required by Council Policy but have not been collected by the City, could contain much of the information required to address the concerns in these reports.

Additionally, a lack of transparency and clear answers to public concerns may lead to public speculation which could damage the reputation of both the City and the CPGs. According to a study performed by the World Economic Forum in 2012, 25 percent of an organization's market value can be directly attributable to its reputation. While not operating in the same capacity as a for-profit company, the City does have incentive to market itself for development. A poor reputation can attribute to an unknown amount of lost business for the City. According to Deloitte's "Managing Reputation Risk," customers are the most important stakeholders, and managing customer expectations and perceptions is critical to success. The responsibility for managing this risk lies at the highest levels of the organization.

Recommendation #2:

To help ensure Community Planning Group (CPG) transparency, compliance, and performance, we recommend that the Planning Department develop a proposal for City Council to consider revisions to Council Policy 600-24 and the Administrative Guidelines to Council Policy 600-24 to include, but not be limited to:

- Developing a formal mechanism for recording and posting CPG project review recommendations, either using a revised annual report that includes all project recommendations or using the Bulletin 620 Distribution Form revised to include the number of times the applicant presented to the group per project and any major modifications to the project proposed by the group.
- Establishing a due date for receipt of CPG recommendations by Development Services Department Project Managers. (Priority 2)

Recommendation #3: To ensure the City and other stakeholders have sufficient information to analyze Community Planning Group (CPG) performance and influence, we recommend the following:

The Planning Department, in conjunction with the Development Services Department, should improve its documentation of CPG recommendations and post all CPG documents, including project review recommendations, on the City's website. (Priority 3)

Recommendation #4: To ensure that applicants fully understand the role of Community Planning Groups (CPGs) and their impact on the project review process, we recommend the following:

The Planning Department should coordinate with the Development Services Department to communicate a consistent message to project applicants on the role of CPGs in the project review process. (Priority 3)

Recommendation #5: To ensure that Community Planning Groups (CPGs) do not make unenforceable recommendations, we recommend the following:

The Planning Department, in conjunction with relevant City departments, should provide a more comprehensive training program that includes:

- A mandatory training segment focused entirely on project development reviews; and
- Sessions open to both CPG members and the public to increase understanding of the review process and roles and responsibilities. (Priority 3)

Conclusion

There has been long-standing citizen involvement in planning in the City of San Diego (City). Community Planning Groups (CPGs) are integral components of this planning process and provide citizens with an opportunity for involvement in advising the City Council, the Planning Commission, and other decision-makers on development projects and land use matters, general or community plan amendments, rezoning and public facilities. A significant amount of time and effort is made by these volunteers to advise the City on land use and other matters, but without full transparency, the amount of work CPGs put in and their performance is unclear.

The City Council adopted Council Policy 600-24 (Council Policy) in 1976, establishing criteria for recognition of CPGs. The Council Policy was created to establish minimum standards and provide guidance for these groups operating as self-governing advisory bodies.

The City's limited oversight, guidance, and training of CPGs may be contributing to CPGs' lack of transparency, inconsistent records retention, and potential non-compliance with Council Policy and the Brown Act. We also found that a lack of oversight of the CPG development project review process has made it difficult to analyze their performance and influence.

It would be beneficial to these groups and the City to consistently collect the required documentation and post it for public review. Additionally, a lack of transparency may lead to public speculation which could damage the reputation of both the City and the CPGs.

To address these issues, we recommend the Planning Department propose revisions to Council Policy 600-24 and the Administrative Guidelines to Council Policy 600-24 to provide additional oversight of CPGs' compliance with the policy, and to help ensure CPG transparency, diverse community representation, and performance.

Recommendations

Recommendation #1: To help ensure Community Planning Group (CPG) transparency, compliance, diverse community representation, and performance, we recommend that the Planning Department develop a proposal for City Council to consider revisions to Council Policy 600-24 and the Administrative Guidelines to Council Policy 600-24 to include, but not be limited to:

- a) Requiring annual training for all CPG members, not just new members;
- b) Expanding the components for the annual report to include a member summary (number of members, turnover, elections), overall summary of project review with voting results, the number of times the applicant presented to the group per project and any major modifications to the project proposed by the group (also see Finding 2);
- c) Including election results in the record retention requirements;
- d) Defining CPG representation to include a distinct category for renters and consider setting a minimum number of seats for that category;
- e) Making Membership Applications mandatory and subject to record retention requirements;
- f) Identifying deadlines for CPGs to provide the Planning Department with rosters, minutes, and annual reports, so that the Planning Department can post them online to ensure this information is available to the public in a centralized location; and
- g) Ensuring that the CPG rosters, annual reports, and meeting minutes contain all the required elements as described in Council Policy 600-24 through proactive monitoring of those documents. (Priority 2)

Recommendation #2: To help ensure Community Planning Group (CPG) transparency, compliance, and performance, we recommend that the Planning Department develop a proposal for City Council to consider revisions to Council Policy 600-24 and the Administrative Guidelines to Council Policy 600-24 to include, but not be limited to:

- Developing a formal mechanism for recording and posting CPG project review recommendations, either using a revised annual report that includes all project recommendations or using the Bulletin 620 Distribution Form revised to include the number of times the applicant presented to the group per project and any major modifications to the project proposed by the group.
- Establishing a due date for receipt of CPG recommendations by Development Services Department Project Managers. (Priority 2)

Recommendation #3:

To ensure the City and other stakeholders have sufficient information to analyze Community Planning Group (CPG) performance and influence, we recommend the following:

The Planning Department, in conjunction with the Development Services Department, should improve its documentation of CPG recommendations and post all CPG documents, including project review recommendations, on the City's website. (Priority 3)

Recommendation #4:

To ensure that applicants fully understand the role of Community Planning Groups (CPGs) and their impact on the project review process, we recommend the following:

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Recommendation #5:

To ensure that Community Planning Groups (CPGs) do not make unenforceable recommendations, we recommend the following:

The Planning Department, in conjunction with relevant City departments, should provide a more comprehensive training program that includes:

- A mandatory training segment focused entirely on project development reviews; and
- Sessions open to both CPG members and the public to increase understanding of the review process and roles and responsibilities. (Priority 3)

Appendix A: Definition of Audit Recommendation Priorities

DEFINITIONS OF PRIORITY 1, 2, AND 3 AUDIT RECOMMENDATIONS

The Office of the City Auditor maintains a priority classification scheme for audit recommendations based on the importance of each recommendation to the City, as described in the table below. While the City Auditor is responsible for providing a priority classification for recommendations, it is the City Administration’s responsibility to establish a target date to implement each recommendation taking into consideration its priority. The City Auditor requests that target dates be included in the Administration’s official response to the audit findings and recommendations.

Priority Class ⁹	Description
1	Fraud or serious violations are being committed. Significant fiscal and/or equivalent non-fiscal losses are occurring. Costly and/or detrimental operational inefficiencies are taking place. A significant internal control weakness has been identified.
2	The potential for incurring significant fiscal and/or equivalent non-fiscal losses exists. The potential for costly and/or detrimental operational inefficiencies exists. The potential for strengthening or improving internal controls exists.
3	Operation or administrative process will be improved.

⁹The City Auditor is responsible for assigning audit recommendation priority class numbers. A recommendation which clearly fits the description for more than one priority class shall be assigned the higher priority.

Appendix B: Objectives, Scope, and Methodology

Objectives In accordance with the City Auditor’s Fiscal Year 2018 Audit Work Plan, we performed an audit of Community Planning Groups. Our audit focused primarily on design, implementation, and operation of the Community Planning Groups as prescribed in Council Policy 600-24. Specifically, our audit objectives were to:

- Determine if an effective control environment exists for Community Planning Groups;
- Assess Community Planning Groups’ compliance with key elements of Council Policy 600-24 and the accompanying Administrative Guidelines; and
- Determine if Community Planning Groups are a contributing factor to permit approval delays.

Scope and Methodology To assess the control environment, we reviewed the guiding documents adopted by the City to establish the structure, authority, and responsibilities of the City and the Community Planning Groups. Primarily, these are Council Policy 600-24, Administrative Guidelines for Implementation of Council Policy 600-24, various attachments to the Council Policy and Administrative Guidelines including the Bylaws Shell, Development Services Department Bulletin 620, City Attorney memorandums, and the Brown Act.

To get stakeholder perspective on the existing control environment, we conducted interviews with City staff from the Planning Department and Development Services Department (DSD), Community Planning Group Chairs and former Chairs, developer consultants, former City staff, other San Diego public agencies, and attended Community Planning Committee and Community Planning Group meetings. In addition, we reviewed the organizational structures used by some other cities to incorporate community input in their city planning process.

To determine if the control environment was effective, we assessed CPG compliance with key components of Council Policy 600-24. We also evaluated City mechanisms for exercising oversight responsibility, enforcing accountability, communicating internally and externally, using relevant information and evaluating and communicating deficiencies.

We assessed the Community Planning Groups' compliance with key elements of Council Policy 600-24—meeting minutes, records retention, term limits, member eligibility, community representativeness for current elected members, and development project review for Fiscal Years 2016 and 2017.

For term limits, member eligibility and community representation, we took a judgmental sample of 19 Community Planning Groups representing the largest and smallest community populations of the nine Council districts and then added the La Jolla Community Planning Association. La Jolla was added after several interviewees suggested we review that group. For record retention, meeting minutes, and development project reviews, we used information from all available Community Planning Group documents.

To determine if the Community Planning Groups were contributing to permit approval delays, we selected a random sample of 205 development projects and used the DSD Project Tracking System (PTS) to evaluate whether the project recommendations were submitted in a timely manner. In addition, we reviewed Community Planning Group project recommendations for 59 projects by comparing the source documents from the DSD project files to the PTS entries for data reliability testing. For approval rates, we reviewed Hearing Officer and Planning Commission reports for 288 projects.

Internal Controls Testing

Our internal controls testing was limited to an evaluation of the control environment as established in Council Policy 600-24 and policy documents, as well as compliance with the Council Policy. We assessed the quality of information and communication of that information between the Community Planning Groups and the City. We evaluated the identification and assessment of risks and reviewed the City's monitoring activities in relation to Community Planning Groups.

Compliance Statement

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix C: Communities and Planning Groups in San Diego

1. Barrio Logan
2. Black Mountain Ranch*
3. Carmel Mountain Ranch
4. Carmel Valley
5. City Heights
6. Clairemont Mesa
7. College Area
8. Del Mar Mesa
9. Downtown
10. East Elliott**
11. Eastern Area
12. Encanto
13. Fairbanks Ranch Country Club*
14. Golden Hill
15. Kearny Mesa
16. Kensington-Talmadge
17. La Jolla
18. Linda Vista
19. Midway Pacific Hwy Corridor
20. Miramar Ranch North
21. Mira Mesa
22. Mission Beach
23. Mission Valley
24. Navajo
25. Normal Heights
26. North City Future Urbanizing Area*
27. North Park
28. Ocean Beach
29. Old Town San Diego
30. Otay Mesa
31. Otay Mesa-Nestor
32. Pacific Beach
33. Pacific Highlands Ranch*
34. Peninsula
35. Rancho Bernardo
36. Rancho Encantada*
37. Rancho Peñasquitos
38. Sabre Springs*
39. San Pasqual Valley
40. San Ysidro
41. Scripps Ranch
42. Serra Mesa
43. Skyline Paradise Hills
44. Southeastern San Diego
45. Tierra Santa
46. Tijuana River Valley**
47. Torrey Highlands*
48. Torrey Hills
49. Torrey Pines
50. University
51. Uptown
52. Via de la Valle*

*Eight communities are represented by other Community Planning Groups:

- Carmel Valley Community Planning Board represents the Fairbanks Country Club, Pacific Highlands Ranch, North City Future Urbanizing Area, and Via de la Valle communities as well as Carmel Valley.
- Carmel Mountain Ranch is combined with Sabre Springs.
- Rancho Peñasquitos Planning Board represents Torrey Highlands and Black Mountain Ranch in addition to Rancho Peñasquitos.
- Scripps Miramar Ranch Planning Group represents Rancho Encantada as well as Scripps Miramar Ranch.

**East Elliott and Tijuana River Valley have no Community Planning Group representation.

Source: Auditor generated from City websites.

Appendix D: SANDAG Community Profiles for Sample

Group Name	Total Occupied Housing Units	Total Renter Occupied	% Renter	Total Owner Occupied	% Owner	Renters in Planning Groups per Roster
1. Clairemont Mesa	31,538	12,087	38%	19,451	62%	Not identified
2. University	24,830	16,176	65%	8,654	35%	Not identified
3. North Park	23,931	17,514	73%	6,417	27%	5
4. City Heights	22,383	16,784	75%	5,599	25%	Not identified
5. Pacific Beach	20,633	14,559	71%	6,074	29%	Not identified
6. Navajo	20,039	5,305	26%	14,734	74%	Not identified
7. Skyline-Paradise Hills	18,359	5,958	32%	12,401	68%	Not identified
8. Rancho Peñasquitos	14,460	4,192	29%	10,268	71%	1
9. La Jolla	13,169	4,142	31%	9,027	69%	Not identified
10. Eastern Area	13,090	6,089	47%	7,001	53%	Not identified
11. Mission Valley	10,079	6,356	63%	3,723	37%	Not identified
12. Kensington-Talmadge	6,269	3,663	58%	2,606	42%	Not identified
13. Otay Mesa-Nestor	3,966	1,187	30%	2,779	70%	3
14. Kearny Mesa	2,524	1,138	45%	1,386	55%	Not identified
15. Mission Beach	2,413	1,619	67%	794	33%	Not identified
16. Barrio Logan	1,144	939	82%	205	18%	Not identified
17. Old Town	457	333	73%	124	27%	Not identified
18. Del Mar Mesa	298	61	20%	237	80%	Not identified
19. San Pasqual Valley	50	7	14%	43	86%	Not identified
Total	229,632	118,109	51%	111,523	49%	9

Source: Auditor generated from SANDAG 2010 community census profiles and review of CPG rosters.

Appendix E: Record Retention

*Community Planning Groups have a narrower requirement to observe—the Brown Act. It requires legislative bodies to make available for public review, upon request, agendas and other writings that were distributed to at least a majority of the body members in connection with a matter subject to consideration at an open meeting. **The Brown Act does not identify a length of time agendas and other writings must remain available. Because it does not, Attachment B has been developed to advise community planning groups about which writings should be submitted to the City to become City records to be maintained, how long different types of writings should be retained by groups to be able to fulfill a timely request for public review, and which writings the group may generate or receive that do not need to be retained or made available. <Administrative Guidelines pg. 39>***

Document/Record Type	Required Retention or Availability	What We Found
Each Community Planning Group (“CPG”) must submit to the City either as draft: <ol style="list-style-type: none"> 1. Bylaws; 2. Rosters; 3. Annual reports; 4. Approved minutes of the CPG or its standing subcommittees; 5. Materials used in investigation of alleged violations of CP or adopted bylaws by CPG or CPG member; 6. Voting procedures for atypical situations; and 7. Reports from CPG regarding filling lengthy vacancies. or as a copy:	CITY	The City provided: <ol style="list-style-type: none"> 1. All City-approved bylaws 2. 40 of 42 rosters <ol style="list-style-type: none"> a. 30 of the 40 rosters did not include minimum required information 3. Two annual reports <ol style="list-style-type: none"> a. One from 2015 and one from 2016 4. Minutes from 34 of 42 groups <ol style="list-style-type: none"> a. 4 of those 34 groups did not submit any minutes in 2017 b. 38 of 102 minutes reviewed did not include minimum required information 5. Four alleged violations 6. No groups submitted this 7. No groups submitted this
	GROUPS	Our sample of 19 planning groups provided 18 of 19 current rosters, and most of the groups did not provide enough past rosters to determine the length of term of currently elected members.
	CPGs should have these records available as “operational documents” as long as there is use of them by the group. Specifically: current rosters and any past rosters used to determine length of term of current elected CPG members.	

Document/Record Type	Required Retention or Availability	What We Found
Recommendations, either created electronically or in paper format, from CPGs to the City on projects or plans that fulfill responsibilities contained in CP 600- 24.	CITY	We did not find a recommendation in Development Services Department’s Permit Tracking System (PTS) for 89 of 205 projects reviewed.
	City to retain for at least two years and to be retained as part of a project or plan record.	
Records the CPG received or produced that do not qualify as a record of the City and are not required to be submitted to the City, such as: <ol style="list-style-type: none"> 1. Meeting sign-in sheets used to determine elected-member eligibility or documentation; 2. Published agendas of the CPG or its standing subcommittees; 3. Correspondence generated by the CPG; and 4. correspondence submitted to the CPG. 	CITY	N/A
	City will not develop an Records Retention Evaluation (RRE) to retain these documents even if sent to the City; these are not City records. Any holding or managing of these documents by the City is voluntary and sporadic.	
	GROUPS	These are records subject to public availability required by the PRA. CPGs should have these records available as operational documents as long as there is a use of them by the CPG. Specifically: meeting sign-in sheets should be available until the next election cycle.

Source: Auditor generated from Council Policy 600-24 Administrative Guidelines, Attachment B, and review of available CPG documents.

Appendix F: Benchmarking

Each city has its own process for community involvement, and each has a key difference from the City of San Diego.

Some cities include substantial financial and staff resources that the City of San Diego does not provide to Community Planning Groups. For example, in Los Angeles, a dedicated department with a budget of \$2.8 million assists the Neighborhood Councils in following established ordinances and rules, and groups participate in a broad range of advisory and monitoring activities for city functions.

Other cities—such as San Francisco and Sacramento—do not have city-established community planning groups. Instead, these cities allow independently established and run groups to register with the city for inclusion in notices. These groups may attend and present at a hearing, but applicants are not required to seek their recommendation. Still others, such as San Jose, do not include community groups in their planning or permitting and instead encourage interested citizens to contact the city for information on upcoming projects and attend public meetings.

City/County Group	Composition	Permitting Process	Environmental Review	Cost	City/County Involvement
City of San Diego – Community Planning Groups	City-certified, self-governed groups of 12–20 volunteer members.	Serve as an advisory role in reviewing discretionary permits. Applicants are directed to present to the affected group, and groups provide their recommendation ideally before the end of the environmental review process.	Groups are encouraged to provide their recommendation prior to the end of the Environmental Impact Review.	Up to \$500 per group on a reimbursement basis.	Planning Department is a resource, if needed. City provides one annual training and an available E-training.
City of San Francisco – Neighborhood groups, including associations	N/A – not formed by the City.	Certain projects (usually new construction) require “Neighborhood Notification” providing a 30-day notification period for owners, tenants, and registered neighborhood groups to voice concerns over the nature of the proposal. Additionally, during this time, they may request a public hearing before the Planning Commission (called “Discretionary Review”) if no resolution is achieved. Certain projects also require a “Pre-Application Meeting” to work out any concerns prior to the 30-day notification period and minimize number of Discretionary Reviews requested.	Some projects require that an Environmental Review is submitted with the application for consideration.	Applicant covers costs of noticing and holding Pre-Application Meeting.	City maintains registered contact list for public notification. Groups are responsible for registering their contact information.

City/County Group	Composition	Permitting Process	Environmental Review	Cost	City/County Involvement
<p>City of Los Angeles – Neighborhood Councils</p>	<p>Independent, self-governing, City-certified local groups made up of property owners, residents, and business owners. Established by City Charter. Represent a minimum population of 20,000. Currently, there are 96 councils.</p>	<p>Most projects that don't conform to zoning regulations require a public hearing. Hearing notices are mailed to the certified Neighborhood Council within which the project is located. At the hearing, any individual or community group, including Neighborhood Council, may speak on the project. Written comments are also accepted. Neighborhood Councils cannot directly appeal a determination.</p>	<p>Not identified</p>	<p>Each council receives \$37,000 per year; cost of Department of Neighborhood Empowerment (oversight and management) is \$2.8M.</p>	<p>Department of Neighborhood Empowerment was also established by the City Charter to develop a citywide system of Neighborhood Councils. It provides operational support, facilitates sharing of resources, and arranges training. Additionally, it assists with funding options and maintains the Early Notification System. The Department of Neighborhood Empowerment investigates complaints and can decertify a Neighborhood Council, and oversees compliance with ordinances and regulations. Board of Neighborhood Commissioners sets policy and oversees Neighborhood Councils.</p>

City/County Group	Composition	Permitting Process	Environmental Review	Cost	City/County Involvement
<p>City of New York – Community Boards</p>	<p>Established by the City Charter. Members (no more than 50) are appointed by Borough Presidents, which are elected officials. Boards hire a District Manager who establishes an office, hires staff, and implements procedures to improve the delivery of City services to the district.</p>	<p>Boards serve in an advisory role in land use and zoning issues. The Department of City Planning is responsible for certifying that an application is complete. Once complete and within 9 days, the applications are sent to the affected Community Board for review. The board is required to hold a public hearing and submit a written recommendation to the City Planning Commission within 60 days. If not provided, the process continues.</p>	<p>If an application needs an environmental review, it must be completed before the application is deemed complete.</p>	<p>Each board receives a standard allocation of \$234,000 for Personnel Services and Other Than Personnel Services. They receive additional funding for rent and energy costs.</p>	<p>Provides appropriations for district managers and district offices.</p>
<p>Sacramento County – Community Planning Advisory Councils (CPACs)</p>	<p>County created and appointed by the County Supervisor for that region. 14 standing CPACs, 1 limited duration CPAC for a specific project, and 1 disbanded after the area was absorbed into a city.</p> <p>CPACs are advisory only and do not make final decisions.</p>	<p>CPACs hear projects and make recommendations. CPAC meetings are noticed to property owners within 500 feet. Applicants are highly encouraged to submit a Neighborhood Outreach Plan and meet with neighbors before and during the application process.</p> <p>Planning Staff incorporated CPAC recommendation into Staff Report.</p>	<p>Staff includes CEQA documents and department comments before CPAC meeting.</p>	<p>Not identified</p>	<p>Staff incorporates CPAC recommendation into final report.</p>

City/County Group	Composition	Permitting Process	Environmental Review	Cost	City/County Involvement
<p>City of San Jose – None; interested citizens encouraged to seek information from department</p>	<p>N/A – interested citizens encouraged to seek information from department and attend public hearings.</p>	<p>Planning Department holds community meetings on plan updates and public hearings on certain permits, but no neighborhood groups are recognized in the process.</p>	<p>Public hearings after application is complete, including CEQA.</p>	<p>N/A</p>	<p>N/A</p>
<p>City of Seattle – No groups. Renters’ Commission</p>	<p>15 appointed members: 6 appointed by Mayor, 6 appointed by City Council, 2 appointed by the Commission, and 1 young adult (18-29) leadership development position.</p> <p>Appointments are made to ensure that varied renter perspectives are represented, including from historically underrepresented groups (low income, LGBTQ, immigrants, renters with felonies, renters paying with assistance, and renters who have experienced homelessness).</p>	<p>Advisory to Mayor and City Council.</p> <p>Provide information to Department of Neighborhoods (\$8M budget), Office of Civil Rights, and other departments on <i>issues and policies</i> affecting renters, including, but not limited to: housing affordability, transportation access, land use, public health and safety, and economic development.</p> <p>Monitor the enforcement of legislation related to renters.</p>	<p>N/A</p>	<p>Department of Neighborhoods budget is \$8M.</p>	<p>Role of Department of Neighborhoods Staff Liaison: Provides meeting facilities for Commission meetings and subcommittee meetings, as needed; Produces meeting minutes in a timely manner; Maintain Commission records; Coordinate briefings from other City Commissions, City departments, the Seattle Housing Authority Board of Commissioners, and other community groups, associations, including those representing rental</p>

City/County Group	Composition	Permitting Process	Environmental Review	Cost	City/County Involvement
					property landlords, to gather information, feedback, and recommendations related to the Commission’s work; Assists with research on specific topics, time permitting; and Meets with Co-Chairs to assist in coordinating meeting agendas and materials for meetings.

Source: Auditor generated from review of documents for each City



THE CITY OF SAN DIEGO

M E M O R A N D U M

DATE: December 12, 2018

TO: Kyle Elser, Interim City Auditor

FROM: Mike Hansen, Director, Planning Department

SUBJECT: Management Response to the Performance Audit of Community Planning Groups

The City of San Diego (Management) acknowledges the Office of the City Auditor Performance Audit of Community Planning Groups (Audit). Management has a fundamental disagreement with the basis of the Auditor's recommendations that Community Planning Groups (CPGs) are "Service Organizations" and as such, the City delegates certain responsibilities to them. CPGs are independent self-governing organizations which are voluntarily created and maintained by members of communities to provide a forum for members of the public to make land use recommendations to the City. While Management is in disagreement as to the basis in which the Auditors arrived at their conclusions, Management is in agreement that City Council Policy 600-24 should be amended to address each of the recommendations in the Audit.

The following summarizes the recommendations contained in the Audit and the response from Management to the recommendations.

Recommendation #1:

To help ensure CPG transparency, compliance, diverse community representation, and performance, we recommend that the Planning Department develop a proposal for City Council to consider revisions to Council Policy 600-24 and the Administrative Guidelines to Council Policy 600-24 to include, but not limited to:

- A. Requiring annual training for all CPG members, not just new members;
- B. Expanding the components for the Annual Report to include a member summary (number of members, turnover, elections), overall summary of project review with voting results, the number of times the applicant presented to the group per project and any major modifications to the project proposed by the group; (also see Finding 2)
- C. Including election results in the record retention requirements;
- D. Defining Board representation to include a distinct category for renters and consider setting a minimum number of seats for that category;

- E. Making Membership Applications mandatory and subject to record retention requirements.
- F. Identifying deadlines for CPGs to provide the Planning Department with rosters, minutes, and annual reports, so that the Department post them online to ensure this information is available to the public in a centralized location;
- G. Ensuring that the CPG rosters, annual reports and meeting minutes contain all the required elements as described in Council Policy 600-24 through proactive monitoring of those documents.

Management Response: Agree.

Management will develop a proposal for City Council to consider revisions to City Council Policy 600-24 and the Administrative Guidelines to include, but not be limited to, each of the subjects contained within Recommendations 1 A-G.

Target Implementation Date: December 2019

Recommendation 2:

To help ensure CPG transparency, compliance, and performance, we recommend that the Planning Department develop a proposal for City Council to consider revisions to Council Policy 600-24 and the Administrative Guidelines to Council Policy 600-24 to include, but not limited to:

- Developing a formal mechanism for recording and posting CPG project review recommendations either using a revised Annual report that includes all project recommendations or use the Bulletin 620 Distribution form revised to include the number of times the applicant presented to the group per project and any major modifications to the project proposed by the group.
- Establishing a due date for receipt of Community Planning Group recommendations by DSD Project Managers. (Priority 2)

Management Response: Agree.

Management will develop a proposal for City Council to consider revisions to City Council Policy 600-24 and the Administrative Guidelines to include, but not be limited to, each of the subjects contained within Recommendation 2.

Target Implementation Date: December 2019

Recommendation 3:

To ensure the City and other stakeholders have sufficient information to analyze CPG performance and influence, we recommend the following:

The Planning Department in conjunction with DSD should improve its documentation of CPG recommendations and post all CPG documents, including project review recommendations, on the City's website. (Priority 3)

Management Response: Agree.

Management will develop a procedure for CPGs to submit their recommendations in a manner that is readily accessible to the public.

Target Implementation Date: December 2019

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Kyle Elser, Interim City Auditor
December 12, 2018

Recommendation 4:

To ensure that applicants fully understand the role of CPGs and their impact on the project review process, we recommend the following:

The Planning Department should coordinate with DSD to communicate a consistent message to project applicants on the role of CPGs in the project review process. (Priority 3)

Management Response: Agree.

Management, within Planning Department and Development Services Department, will coordinate with staff to reinforce standard Project Tracking System comments be utilized to provide a consistent message to project applicants in accordance with DSD Information Bulletin 620.

Target Implementation Date: February 2019

Recommendation 5:

To ensure that CPGs do not make unenforceable recommendations, we recommend the following:

The Planning Department in conjunction with relevant City departments should provide a more comprehensive training program that includes:

- A mandatory training segment focused entirely on project development reviews; and
- Sessions open to both CPG members and the public to increase understanding of the review process and roles and responsibilities. (Priority 3)

Management Response: Agree.

Management will work with staff to coordinate a more comprehensive training program to include, but not be limited to, the above-listed subject areas.

Target Implementation Date: May 2019



Mike Hansen, Director
Planning Department

cc: Honorable Mayor Kevin Faulconer
Honorable City Attorney Mara Elliott
Kris Michell, Chief Operating Officer
Stacey LoMedico, Assistant Chief Operating Officer
Erik Caldwell, Interim Deputy Chief Operating Officer, Smart & Sustainable Communities
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