

IF WE FIX IT, THEY WILL COME

A Report from
The Building Industry
Association of Philadelphia

October 2004



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KEY PHILADELPHIA AND STATEWIDE LEADERSHIP ORGANIZATIONS HAVE JOINED THE BUILDING INDUSTRY ASSOCIATION OF PHILADELPHIA IN CALLING FOR THE ACTIONS RECOMMENDED IN THIS REPORT TO STREAMLINE THE DEVELOPMENT REVIEW PROCESS AND MODERNIZE PHILADELPHIA’S ZONING CODE.

Endorsing Organizations:

10,000 Friends of Pennsylvania

American Institute of Architects, Philadelphia Chapter

Central Philadelphia Development Corporation

Housing Alliance of Pennsylvania

Philadelphia Association of Community Development Corporations

Philadelphia Neighborhood Development Collaborative

The Reinvestment Fund

Philadelphia District Council of the Urban Land Institute

Author: Karen Black
May 8 Consulting

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Executive Summary

Philadelphia needs growth — new residents who will revitalize existing neighborhoods and create exciting new communities on abandoned land. The city has laid out a plan to attract developers to build 16,000 new housing units and rehabilitate 2,500 others. But this ambitious goal cannot be realized without streamlining the permit process and modernizing the Zoning Code.

Philadelphia's current development review process is unpredictable and cumbersome, involving up to 14 city departments, agencies and boards. Philadelphia's Zoning Code is a 40-year-old, 624-page document, layered with thousands of amendments. **In recent years, older cities across the nation — Baltimore, Boston, Chicago, Milwaukee, Pittsburgh and others — have rewritten their Zoning Codes, remapped their neighborhoods, automated their permitting systems and transformed the culture of their development review agencies.**

As a direct result, they have achieved these milestones:

- (1) lowered their cost of regulating construction by up to 60 percent,
- (2) supported increases in private investment of up to 400 percent,
- (3) dramatically increased tax revenue by up to \$150 million by bringing abandoned properties back on the tax rolls, and
- (4) created up to 40,000 new jobs and 250,000 new residents.

In addition, these cities have dramatically increased their developer fee revenue. In Philadelphia, developer fees currently provide \$11 million in profit annually after paying for all of L&I staffing costs and other needed expenditures. If we direct a portion of this profit to modernizing the development review process, the return on investment will be substantial.

In this report, the Building Industry Association of Philadelphia proposes ten fixes to improve and streamline the development process in Philadelphia. Our goal is to eliminate or change steps in the process that unnecessarily add to the cost of a home and otherwise deter developers from building or rehabilitating houses in the city.

The recommendations are based on interviews and focus groups with more than 60 building industry and government professionals in addition to extensive research into streamlining innovations being put into effect in peer cities across the country.

IF WE MAKE THESE 10 CHANGES, THE BENEFITS TO THE CITY WILL BE ENORMOUS.

1 Provide transparency to the development process.

In the Short-Term, widely distribute the BIA Step-by-Step Guide to the Development Review Process included within this report. Then, by 2005, provide an interactive, project-specific Internet tool modeled on Chicago's Permit Wizard, which permits a developer, rehabilitation contractor or resident to obtain an accurate statement of zoning restrictions, required permits and documentation to build on a specific parcel.



2 Create a user-friendly gateway to large-scale development, a Construction Permit Center, where representatives from all approving agencies are available at one location to review documentation, resolve conflicts and issue permits.

Interagency agreements between Philadelphia's development agencies will allow us to post qualified professional reviewers in one location two or three days a week. Developers can meet by appointment for an hourly fee for a joint evaluation and review of a project. When a developer has provided all necessary documentation and the development meets required standards, permit approval will be provided at the conclusion of the review meeting.

3 Design a system to provide timely inspections that will ensure conformance with the approved plan.

Currently, inspectors may take days to respond to an inspection request, and when they do inspect, they may add requirements to the approved plan in mid-construction. In the Short-Term, improve inspection turnaround times by setting goals and tracking performance in achieving those goals. (Twenty-four-hour turnaround is the norm in Baltimore, Boston and Los Angeles.) Long term, adopt an automated inspection request system that accepts requests 24/7 and routes inspectors to ensure 99 percent are completed within 24 hours. In addition, inspectors should inform their supervisors and the original plan reviewers when they discover changes that need to be made to the approved plan. The plan reviewer will be responsible for amending the approved plan when health and safety could be at risk.

4 Merge and layer hard-copy zoning maps — each of which contains one piece of information about zoning — into an all-inclusive, electronic map available on the Internet that will be updated to reflect amendments to the code within ten days.

5 Modernize the Zoning Code with extensive public input to create a vision for each of Philadelphia's neighborhoods and attract development dollars to help fulfill these visions.

In the Short-Term, Philadelphia should consolidate residential zoning district designations from 31 to 11, add contextual zoning and a uniformity clause that requires that "zoning regulations must be uniform for each class or kind of structures and uses throughout each District" and change three provisions to allow for modern architectural features.

6 Authorize Construction Permit Center examiners to make finite, specified administrative adjustments that will reduce the volume of building projects that require a variance from the Zoning Board of Adjustment (ZBA).

Philadelphia's overworked ZBA must hear 35 percent of all permit applications and a much larger percentage of applications for large-scale development. As a result, a zoning appeal has become a standard part of the process for development, substantially extending the time needed to obtain permission to build and introducing unpredictability to the process. A list of administrative adjustments based upon commonly granted variances could substantially reduce the number of projects that must be heard before the ZBA.

7 Use technology and data to modernize the development review process.

Philadelphia should offer developers and homeowners the ability to submit and track permits and should issue permits via the Internet, as our competitor cities do. The city should also track data on key performance measures to improve efficiency.

8 Ensure that the Plumbing Code reflects technological advances in housing material. Most notably, allow PVC pipe — the industry standard.

Pennsylvania has asked each municipality to adopt the International Plumbing Code as part of its Uniform Construction Code in 2004. Philadelphia should do so. PVC pipe, rather than cast iron, will save \$1,300 to \$3,000 per house.

9 Responsibility for approving, defining and inspecting stormwater management should be vested in one agency under one standard.

Currently three agencies with three differing standards share responsibility for stormwater management: the Planning Commission, which reviews and approves the design based upon Zoning Code standards; the Water Department, which tests based upon Water Department specifications; and the Department of Licenses and Inspections (L&I), which inspects based upon Plumbing Code standards. Place full authority for stormwater management in one agency, create detailed design standards consistent with current industry practice and inspect to those standards.

10 Attract private investment by offering site control of land on a fast, predictable schedule.

Establish a land bank and create multitrack procedures to deliver site control on a faster and more predictable basis.

JOIN US IN ATTRACTING PRIVATE INVESTMENT TO THE CITY THROUGH THE ADOPTION OF CLEAR, PREDICTABLE AND OBJECTIVE RULES THAT DEVELOPERS CAN UNDERSTAND AND FOLLOW.

Summary of Reforms Needed

	NEEDED REFORM	WHY REFORM IS NEEDED	SHORT-TERM ACTION	LONG-TERM ACTION	IMPACT ON CITY BUDGET	BENEFIT TO CITY
1	Create Step-by-Step Guide of review process	No road map on how to apply to up to 14 permit review agencies and boards	Disseminate BIA guide	Implement online Permit Wizard for project-specific road map	Step-by-Step Guide: None; Permit Wizard cost Chicago \$200,000	Transparent development process will attract developers and save staff time
2	Create faster, predictable process for large-scale development	Process requires developers to wait in line for hours; no standards or time frames	Give existing Developer Services Team power to approve or reject permit applications	Establish Construction Permit Center with all review agencies represented	Developer Services Team: None; Construction Permit Center: Minimal costs covered by fees	Attract investment with faster, less cumbersome process; achieve greater coordination among departments
3	Limit timely inspections to the approved plan	Inspections take days, and inspectors add new requirements to approved plan	Create goal time frames for inspection turnaround; changes to approved plan to be made by plan reviewer	Implement centralized inspection scheduling designed to guarantee inspections within 24 hours of request	Software available for \$1,000 and up that automatically takes inspection requests and schedules inspections	Reduce delay and cost of development
4	Create one map that includes all zoning restrictions	L&I examiner must review series of maps to determine zoning for parcel	Layer all manual maps into single electronic map and update within ten days of amendments	Remap city with public input	Create single electronic map: \$30,000; remap city: part of rezoning process	Electronic map on Internet shows where types of development are appropriate; saves staff time
5	Modernize Zoning Code	Forty-year-old Zoning Code needs to be updated to meet the needs of today's Philadelphia	Consolidate 31 residential zoning districts; add uniformity clause; recognize contextual zoning and change zoning provisions to allow modern architectural features	Rewrite Zoning Code	None; city has committed to full Zoning Code rewrite	Update zoning for a modern city
6	Allow modern home to be built without a variance	Majority of large-scale development must go to ZBA	Give Permit Center authority to make minor administrative adjustments; codify A/C and other systems required by ZBA	Modernize Zoning Code and remap neighborhoods to reflect current market and design	None	Allow desirable development to be built without the substantial cost and delay of gaining a variance
7	Use technology and data collection to increase efficiency	Process outdated — most steps must be done in person; little data available	Track key indicators to increase understanding of process and accountability	Automate process: forms obtained and submitted online, permits tracked and issued online	Tracking software systems: \$10,000 to \$200,000	Modernize review process to make system user-friendly and provide government with more information
8	Adopt Uniform Plumbing Code; allow PVC pipe	We are the last big American city to mandate cast iron or copper for the majority of plumbing	Adopt International Plumbing Code 2003 and allow PVC pipe to be used for plumbing		None	Increase affordability, with savings of \$1,300 to \$3,000 per house
9	Make stormwater management the responsibility of one agency with one standard	Three different agencies regulate using three differing standards	Create detailed standards for approval and inspection and assign responsibility to one agency	Create manual and checklists that include preferred methods of stormwater design	Minimal	Achieve stormwater management with clear guidelines that work
10	Deliver site control of vacant land to developers in a fast, predictable timeframe	Substantial investment is being lost because of an inability to gain site control of abandoned land	Streamline land acquisition and disposition procedures to speed up process	Create land bank and multiple tracks for land management	Process ongoing; total cost unclear	Provide a predictable, low-cost source of developable land to attract developers

Introduction

“ Philadelphia homeowners who want to move up from a basic home to a new home with a garage and modern amenities have little choice but to leave the city because so few new homes attractive to the middle class have been built here.”

Lawrence Rust,
Rust Construction

This is an exciting time of transformation for Philadelphia. After losing residents and jobs for half a century,¹ Philadelphia is seeking new ways to grow — strategies that encourage private developers to invest in our communities, increase the vibrancy of our neighborhoods and offer new housing choices. Well-managed urban development is essential to attracting new businesses and residents to Philadelphia. It is therefore one of the most urgent and significant challenges that the mayor and City Council face in bolstering the city’s economy and revitalizing our neighborhoods.

Mayor Street’s Neighborhood Transformation Initiative calls for private market developers to reenter the Philadelphia market and to build 16,000 new houses and rehabilitate 2500 others.² This is an ambitious goal — in 2002, between 554 and 1000 single-family and multi-family housing units were built in the nation’s fifth largest city.³

In the 1980’s and 1990’s, the private market rarely built in Philadelphia due to the lack of a proven housing market, as the city was losing population and even more rapidly losing its middle class. In 2000, Philadelphia’s middle class made up only 19 percent of the city’s population — a smaller middle class than exists in 75 percent of the largest cities in the nation.

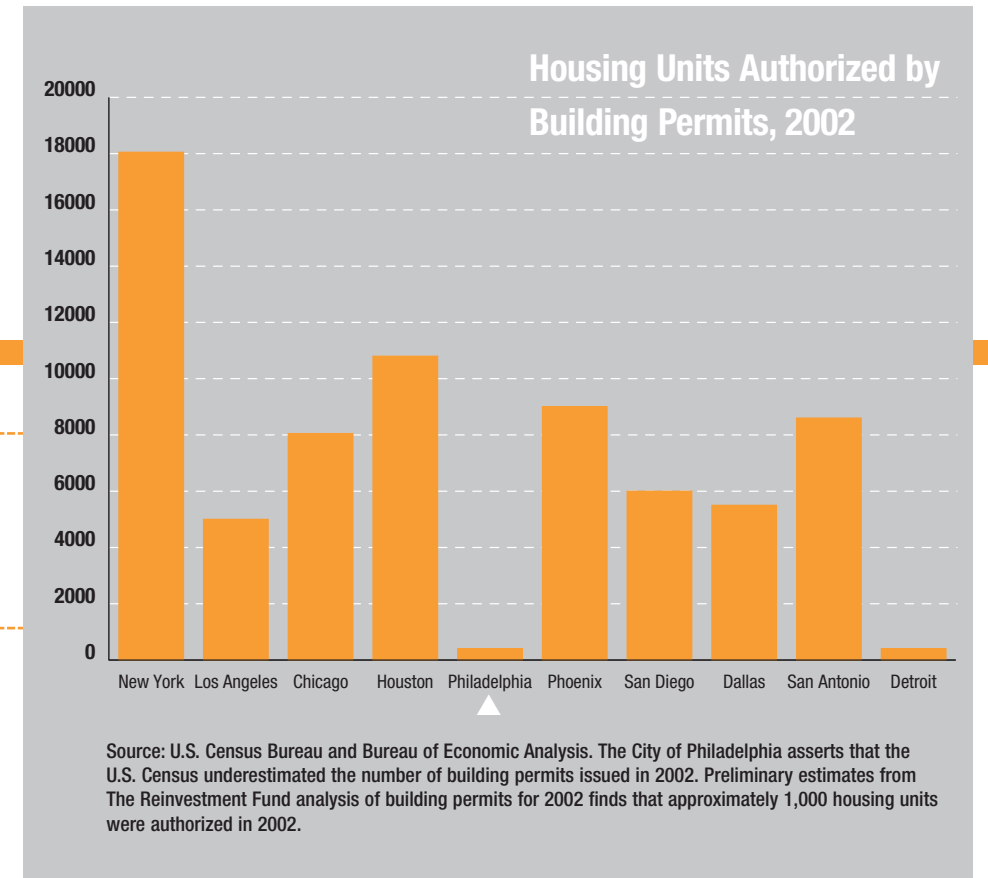
Replenishing this middle class is central to economic revitalization and will require new housing choices.

Today, for the first time in several decades, private developers are exploring the possibility of building homes in Philadelphia. Why? Suburbs have placed so many roadblocks in the way of new development that it makes financial sense for the region’s developers to explore the potential of Philadelphia’s proven and unproven housing markets. In addition, the city offers many advantages to developers, including existing sewer and water infrastructure, no fees for reviewing development projects, available land, a pent-up demand for new housing, a welcoming attitude towards growth and extraordinary amenities such as parks and cultural venues.

Yet if we want Philadelphia to grow, we must modernize the city’s antiquated and cumbersome development process.

A developer who wants to build new housing on blighted and abandoned land should not be asked to satisfy a 40-year-old Zoning Code and follow a permitting procedure that involves up to 14 different city agencies and boards. Permit review procedures that require approvals by multiple decision-makers and staff reviewers add significantly to the costs of a development project.

Of the ten largest U.S. cities, Philadelphia built the fewest homes.



To better compete with conventional projects in previously undeveloped areas of our surrounding suburbs, Philadelphia must streamline its current maze of bureaucratic requirements so that quality development can proceed swiftly and predictably.

Philadelphia is not the only older city that finds itself hanging onto outdated codes after a half century of decline. With limited interest in urban development over the years, there was little incentive for cities like Baltimore, Chicago, Milwaukee, Detroit or Philadelphia to create new ways of doing business. But in the 1990’s, that began to change. During the past decade, cities have made it a priority to streamline their review processes and rewrite their zoning codes.

The cities that have modernized their zoning and permit systems fall into two groups: (1) cities such as Boston and Chicago that rebounded in the 1990’s and began to experience significant growth of jobs and residents, and (2) cities such as Baltimore and Detroit that, after decades of decline, are trying to revitalize their cities by bringing thousands of parcels of abandoned land back into productive use. The cities who have invested in a streamlined process have seen up to a 400 percent rise in private market investment, a 60 percent decrease in government cost to regulate construction and an enhanced reputation as modern, business-friendly cities. **It is time to join our competitor cities and streamline our regulatory system to encourage investment in Philadelphia.**

IF WE FIX IT, THEY WILL COME

In this report, the Building Industry Association of Philadelphia proposes ten fixes to improve and streamline the development process in Philadelphia. Our goal is to eliminate or change steps in the process that unnecessarily add to the cost of a home and otherwise deter developers from building in the city. The recommendations are based on interviews and focus groups with more than 60 building industry and government professionals, in addition to extensive research into streamlining innovations being put into effect in peer cities across the country.

“ When development is more difficult within our city, it fuels growth at the region’s edges. ”

Janet Milkman, President,
10,000 Friends of Pennsylvania

Tax Revenue, Job and Population Gains as a Direct Result of Redevelopment of Abandoned Properties

	Tax Revenue Gains (estimated)	Job Gains (actual number unless noted as estimate)	Population Gains (estimated)
Boston	\$3–10 million	300 (est.)	100,000
Chicago	\$78 million	3,000	Not available
Dallas	\$25–52 million	5,000	Not available
Detroit	\$15–50 million	1,000	250,000
New Orleans	\$5–20 million	454	10,000
Richmond, VA	\$100–150 million	1,000 (est.)	5,000
St. Paul, MN	\$20–30 million	40,000	50,000

Source: U.S. Conference of Mayor's 2003 Survey, *Recycling America's Land, A National Report on Brownfields Redevelopment*, Volume IV (2003).

REFORMS WILL SAVE MILLIONS

Adoption of reforms to streamline and modernize Philadelphia’s development process will save tens of millions of dollars while making Philadelphia more attractive to private market investment.

Streamlining Philadelphia’s development review process and modernizing the Zoning Code can result in huge savings to government. The National Conference of States on Building Codes and Standards, Inc. (NCSBCS), created in 1996 by the National Governors’ Association, has researched over 150 streamlining and reform efforts around the country in the past eight years. Based on this research, NCSBCS found that streamlining can save government as much as 60 percent of the cost to regulate construction and can do so by expediting the delivery of homes without compromising safety or quality of life.⁴

Five cities that streamlined their permitting processes in the early 1990’s have tracked savings to government, the building industry and consumers. San Diego’s “Process 2000” permit review streamlining program saved government \$10 million and customers \$3.5 million in its first four years.⁵ Raleigh, North Carolina’s Express Service program reduced government and building industry costs by 25 percent each.⁶

Phoenix’s 1997 adoption of their Customized Plan Review (CPR) system reduced the staff time needed for plan review of large construction projects (5,000 square feet or more) by 50 percent. Los Angeles’s streamlined process allowed the city to handle an 88 percent increase in construction activity with only a 1.5 percent increase in staff time. Los Angeles’ reforms also saved the development sector tens of millions of dollars by reducing wait time for a permit applicant from two to three hours to seven minutes, reduced plan check time from ten weeks to an average of ten days and reduced inspection wait from four to five days to 24 hours.

These changes also reduced the total construction cost of residential and other structures within the city of Los Angeles.⁷

Modernization and streamlining of construction regulation also attracts developers interested in reusing abandoned land and rebuilding neighborhoods.⁸ In 2003, Chicago found that the city added \$78 million to its tax revenue while creating 3000 new jobs as a direct result of redevelopment of vacant and blighted property. St. Paul, Minnesota, added an estimated \$20 to \$30 million to its city coffers by bringing abandoned properties back on the tax rolls and added 50,000 new residents and 40,000 new jobs. With 60,000 abandoned properties in Philadelphia, a regulatory process that provides a predictable path for redeveloping abandoned land is essential if we are to rebuild our neighborhoods and grow our tax base.⁹

Philadelphia should take prompt action to address ten key weaknesses in our residential development permit review process.

“ The reasons housing developers give for shunning the city include the lack of large sites suitable for residential construction, the city’s time-consuming permit and zoning processes, an outdated building code and costly union work rules. ”¹⁰

Earni Young, Philadelphia Daily News

Issue 1

There is no document that details the steps in Philadelphia's development review process.

Philadelphia needs to add transparency to its permitting process. Developers should be able to come into Philadelphia and know exactly what forms and supporting documentation they must complete, what standards their applications will be reviewed under, what agencies they must submit them to and what special conditions, if any, they must meet to develop at a specific location. Yet this is not what happens.

Philadelphia does not have a written document that takes a developer from a project's early planning stages to a certificate of occupancy. Developers are left without a roadmap on how to apply to the seven to 14 permit issuing agencies and boards.

In order to complete the permitting process, a developer must go in person to the following offices to seek permits or approvals:

- **District Councilperson** in City Hall
- **Department of Licenses and Inspections** in the Municipal Services Building (Public Service Concourse), 1401 John F. Kennedy Blvd.
- **Philadelphia City Planning Commission** at One Parkway, 13th Floor, 1515 Arch Street
- **Streets Department** in the Municipal Services Building (7th Floor)— **Highway and Traffic Divisions**
- **Fairmount Park Commission** in Memorial Hall, 42nd and Parkside Avenue (for planting of street trees)
- **Board of Surveyors** in the Municipal Services Building
- **Water Department** at 1101 Market Street (2nd Floor)

A developer may also have to seek approval from the following offices:

- **Philadelphia Historical Commission in City Hall** (if property is on the Philadelphia Register of Historic Places or within a historic district)
- **Accessibility Advisory Board** (for appeals on requirements for handicapped accessibility)
- **Zoning Board of Adjustment** in One Parkway Building, 1515 Arch Street (for approval of certificates, special use permits and variances)
- **Board of Building Standards** in Municipal Services Building, 16th Floor (for appeals of variances from Building Code, Electrical Code and Plumbing Code)
- **Fire Department** at 240 Spring Garden Street (if development requires new streets or a deep lot more than 200 feet off street, the Fire Department must approve the location of fire hydrants)
- **Department of Public Health** at 1101 Market Street (if a new septic system is needed because the properties are too far from the city sewer system)

A clearly defined and delineated permit process will allow the city to better inform its customers, increase the transparency of its government and reduce the staff time needed to explain the process individually to permit seekers.

ACTIONS

SHORT-TERM Action:

Distribute the guide on p. 12 to provide a procedural overview of the current residential development process.

Philadelphia government staff and building industry professionals have reviewed and checked the accuracy of the guide. The city should make it widely available on the Internet and in all government offices.

COST: None. The guide can be added to the www.phila.gov website at no cost. Hard copies can be made available to developers for a small fee that will cover copying costs.

LONG-TERM Actions:

Philadelphia should create an online tool that provides a project-specific development road map.

Chicago created an online information tool called the Permit Wizard, which allows users to obtain detailed, site-specific project information about the steps they must take to begin building, remodeling or rehabilitating a house. A user enters an address and responds to a brief series of questions about the project he is looking to complete. After answering the online questions, the user is provided with a comprehensive set of requirements for obtaining a permit. This includes all of the forms that a user has to complete in a downloadable format, descriptions of the various steps in the process, documentation on special requirements based on address or project type and an explanation of all supporting documentation required. In many cases, the user can complete the permitting process online.¹¹

COST: The Chicago Permit Wizard was developed by Risetime Technologies in three months for a cost of approximately \$200,000.¹² This cost could be recovered through savings in staff time and higher online filing fees.

Philadelphia should also create a developers' manual that provides uniform administrative guidelines for staff review of development applications which will add consistency and predictability to the review process.

A developers' manual that provides agency and board standards and requirements, copies of forms and applications required by the review process and agency technical specifications will reduce the following:

- customer time spent scrambling to meet poorly understood standards and multiple trips to city agencies because they failed to bring all necessary documentation,
- plan review time as submission of complete plans increases,
- staff time spent educating customers and
- time that city management spends handling complaints from applicants who run into unexpected requirements or delays.

For examples of helpful and comprehensive manuals, Philadelphia can look to Tampa and Boston.¹³

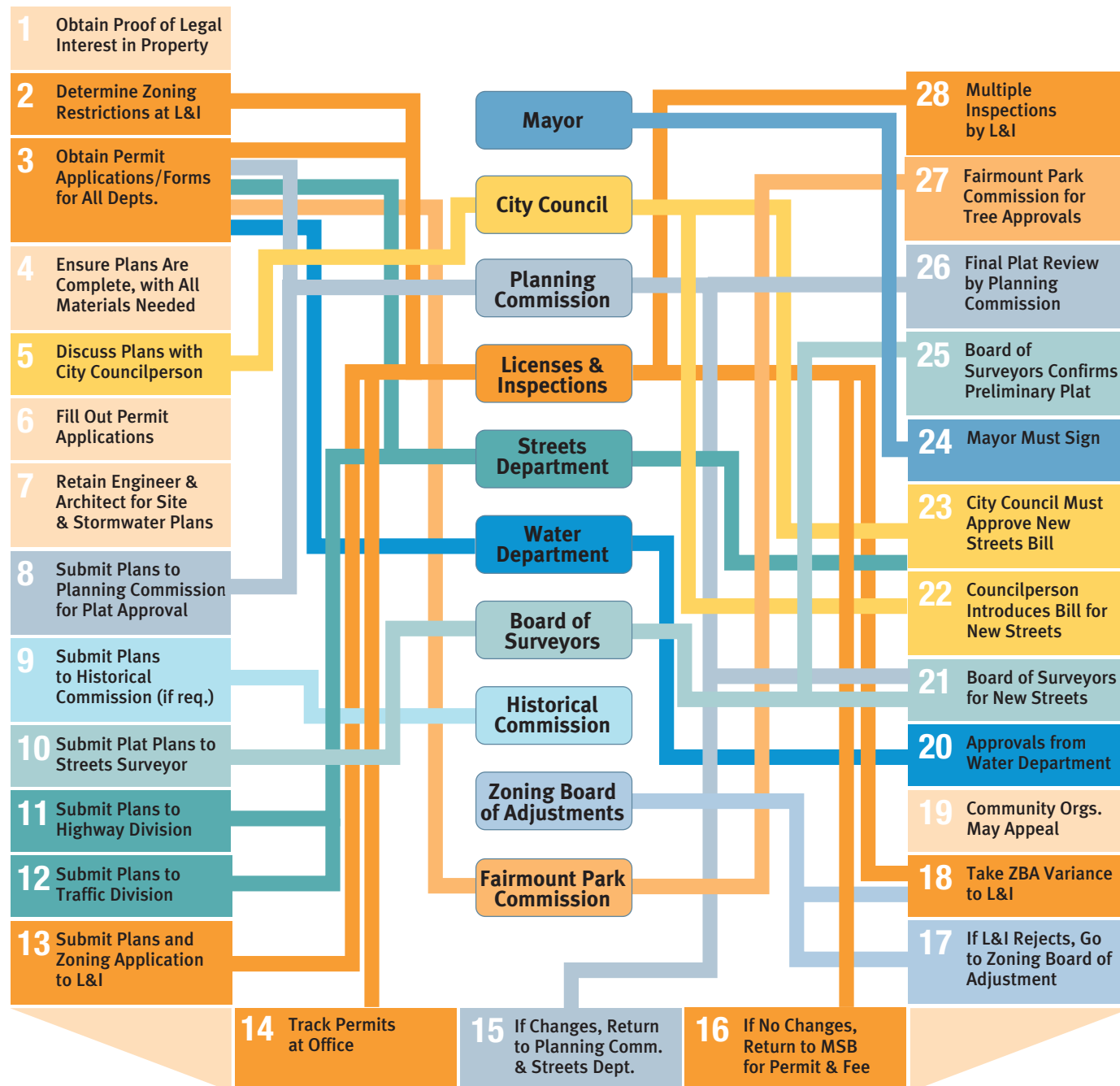
COST: The entire cost of creating, printing and distributing the manual can be recovered by charging a fee for the manual.



Building Industry Association of Philadelphia's Step-by-Step Guide to the Development Review Process

START HERE

Key Steps in a Typical Development Process



Process to Obtain Necessary City Permits and Approvals to Build Residential Homes in Philadelphia

1. Obtain proof of a legal interest in the property. To begin the process, you will need either a deed, a current lease, an agreement of sale or a receipt from the sheriff (if the property was purchased from sheriff's sale within the last year). You must close on the property prior to or concurrently with City Council approval for streets.

2. Go to Department of Licenses and Inspections (L&I) to determine all zoning restrictions on parcel. Do not assume that the electronic map available at www.phila.gov provides all zoning restrictions. The electronic map provides only the zoning district designation. In addition, there are 18 overlay districts and a large number of Zoning Code Amendments that restrict uses within subsets of the city. L&I personnel will consult a series of manual maps to determine all zoning restrictions.

3. Obtain permit applications and forms required by city departments. Forms must be picked up at the individual agencies' offices. In order to build, you will need the following permits: zoning, building, plumbing, electrical and additional permits from the Streets Department, if needed.

4. Ensure that development plans are complete and include all required supplemental material. Requirements are not listed in writing, so consult with a developer who has submitted documentation before or with city employees to learn what is required.

5. Discuss plans with district councilperson. If the zoning classification for the land you wish to build on does not allow the type of residential construction as of right, or if you are building a subdivision or group of homes that will require new streets or will change the width, length or location of the street, the district councilperson should be consulted early in the process. The district councilperson must submit an ordinance to Council for any street changes, and the Zoning Board of Adjustment, the body that rules on variance requests, carefully weighs the councilperson's position in deciding whether to grant a variance. If the councilperson supports the residential development, his or her staff will act as your ombudsman to help you overcome snags in the zoning process. If the councilperson opposes development, you must change plans to accommodate opposition or go find another parcel of land to build on.

6. Completely fill out permit applications and forms on a typewriter or print in ink.

7. Retain engineer and architect to develop site plan and stormwater management plan.

8. Submit plans to Planning Commission for Preliminary Plat Approval from staff. Submit one set of plans and ensure that it is sealed by a professional engineer. Meet with staff person assigned to the area of the city that you seek to build in. If a parcel or area of a deeded property is subdivided into three or more parcels, the plot plan must be approved by the Planning Commission in order to obtain zoning and building permits from L&I. If the Planning Commission provides written approval of plans (be sure to leave with the set of drawings stamped and signed), it is a point in your favor when you submit the plans to L&I. If the Planning Commission verbally states that the area must be rezoned for you to build what you seek in that area, you must submit plans to L&I and obtain a written zoning refusal in order to appeal to the Zoning Board of Adjustment (ZBA). You may also need to go before the Planning Commission. If so, expect six weeks of delay.

9. Submit plans to the City of Philadelphia Historical Commission if property is on the Register of Historic Places or if construction is within Historic District. To determine if property has a historic designation, call the Historical Commission staff at 215-686-7660 and ask them to look up the property. Any work that requires a building permit or that changes the appearance of a property on the Philadelphia Register of Historic Places must have approval from the Historical Commission before the Department of Licenses and Inspections will issue a building permit.

10. Submit Preliminary Plat approval and plans to Board of Surveyors at the Streets Department. You may hire the Board of Surveyors to fix lot boundaries or hire a private surveyor and have the Board of Surveyors' office approve the survey. The Board of Surveyors must also approve any changes to streets. There is no appeals process if you disagree with the Board of Surveyors' decision. You must negotiate to a final resolution.

11. Submit site plan to Streets Department's Highway Division. (Note: Board of Surveyors may distribute to all Streets Dept. divisions.) The Highway Division carries out street construction, reconstruction and maintenance activities. The Highway Division has street work scheduled five years in advance. It is difficult to have construction or maintenance work moved up or postponed based on new development in an area. Any new streets that must be created for a new subdivision are constructed by the developer or a contractor, not the Streets Department. Leave two sets of plans and have one set stamped and signed.

12. Submit site plan to Streets Department's Traffic Division. All curb cuts, driveways and parking facilities for more than two slots must be approved by the Streets Department. Leave one set of plans and have the other set stamped and signed.

13. Submit plans, zoning application and building permit applications to the Department of Licenses and Inspections,

the chief regulatory agency for the City of Philadelphia. L&I processes applications, issues permits and conducts inspections to insure that zoning regulations and Building Code requirements are met. Submit application and supporting documentation to L&I to obtain a building permit and zoning permit. Must submit six sets of plans, a letter of ownership and a zoning application in person. Applicant must wait in line with all other permit seekers. (May pay an expediter to wait in lines — Philadelphia Code Section 9-2202(2) defines the role of expeditors and the requirement that they obtain a license.) In most instances, if the type of residential construction or your particular design is not expressly permitted under the code, you will need to wait for a rejection from L&I so that you can begin the process to seek a variance. Even if the Planning Commission has already advised the developer of the necessity for this step, L&I will still seek to review and provide an independent evaluation. This process takes approximately three to five weeks.

14. To track status of permits, return to L&I and wait in line to speak to employee at counter.

15. If L&I requires changes, then you must return to Planning Commission and Streets Department to have final plat restamped.

16. If L&I approves, you must return to MSB Concourse to pick up your permit and pay fee.

17. If L&I rejects, you may appeal to the Zoning Board of Adjustment.

Obtain a hearing on the variance the next time the ZBA meets. Hearing dates available at http://www.phila.gov/li/fac/zba/hearing_information.html. Ninety percent of all variance requests will be approved, but please note that 1,600 to 1,700 individuals or companies must seek a variance each year. This means that the appeals process may take three to four months. You must have authorization from all property owners or partners for an individual property to request a variance. If the board does not have a substantial hearing wait list, you may pay for an accelerated hearing within three to six weeks.

In Philadelphia, all taxpayers have standing to testify on zoning matters. As a result, the ZBA grants wide latitude to permit citizens, businesses and civic associations the opportunity to be heard by the board and for their concerns to be considered as part of any decision. Typically, the board requires that applicants meet with neighbors and civic associations in an attempt to reach an agreement with respect to any issues. In the event that an agreement is achieved, the board may incorporate that agreement into the decision in the form of a proviso or a condition to any grant of zoning relief.

You must perform these steps prior to a Zoning Board of Adjustment Hearing:

- (1) display orange zoning posters for 12 consecutive days immediately before the public hearing, in plain view on each side of the property facing a street, so it can be read without going onto the property;
- (2) take photographs of the property including entire rear and front view and
- (3) meet with neighborhood organizations to obtain their support.

The Philadelphia Code, Title 14, Section 1805-8 provides that any party may appear before the ZBA. When the board reaches a decision, it sends a written notification.

18. If the ZBA rules in favor of a variance, take the “Notice of Decision” issued by the board to the Zoning Unit of Licenses and Inspections. This notice is necessary in order for staff to process the permit. Permit must be prepared after the board notice is provided to counter staff. This may take several hours.

If the ZBA rules against a variance, you may appeal decision to the Court of Common Pleas. The legal standard is whether the Zoning Board abused its discretion or acted in contradiction of the law.¹⁴ The City of Philadelphia will represent the ZBA in court. The developer may appeal the decision of the Court of Common Pleas in Commonwealth Court.

19. Community organizations or individuals living in the city may seek to appeal L&I’s granting of a permit. Any Philadelphia taxpayer may appeal a variance to the ZBA and to the Court of Common Pleas. Appeals period extends 30 days from the Zoning Board hearing if there was one and, if not, 30 days from the time the taxpayer knew or should have known of the decision.

20. Go to Water Department to obtain approvals for water and sewer service. A licensed plumber must obtain permits from the Philadelphia Water Department in order to install a water lateral or make a new connection to the sewer system. Water Department used to be responsible for all outside stormwater management or connections to sewer system. Today, it is only responsible for connections to city sewer system and still does percolation standards testing for Planning Commission.

21. When new streets are needed or street dimensions or locations must be changed, the Board of Surveyors, along with the Planning Commission, must approve drawings that show changes to the City Plan. Then the Board of Surveyors will prepare an ordinance for the proposed streets and paving of streets to be voted on by City Council.

22. District councilperson must introduce bill to add, strike or change the dimensions of a street. Bill must be read twice unless you obtain a “suspension of the rules,” which will allow one reading and then a vote. This “suspension of the rules” will save one week. (Note: Must be done before or after Council’s summer break.) If district councilperson refuses to introduce bill, development does not occur.

23. City Council must approve bill to add, strike or change the dimensions of a street.

24. Mayor must sign.¹⁵

25. Board of Surveyors confirms that preliminary plat conforms to ordinances and, if it does, it will become final plat.

26. Once plan is confirmed by Streets and review agencies and bill is passed, you can submit full plan, including grading plan, to Planning Commission for final plat approval. Planning Commission will place it on their agenda to approve at their next meeting. Planning Commission will review for conformance with the bill and Board of Surveyors’ review. If approved, a letter will be issued. (Takes several days for letter to be issued.)

27. Section 14-2104 (13) of the Philadelphia Code requires that Street trees be planted in all residential and apartment house subdivisions, including land abutting any street previously opened. The site is evaluated by the district arborist. The district arborist contacts the builder by phone and sends a site assessment letter. A certified check for \$300.00 per tree to be planted must be submitted by the builder. These funds are placed in escrow and are refunded after the trees are planted. The builder then receives two copies of the approved plans (the arborist retains a copy), a receipt and a copy of the validated site assessment letter marked as paid. Once the required trees are planted within the appropriate time period, the district arborist reinspects the site. If the planting meets Fairmount Park Commission requirements, the district arborist issues the Refund of Escrow letter.

28. In order to complete the process, you will need to pass the following inspections: building, plumbing, electrical, water, sewer, stormwater and RDA (if RDA provides funding or land). Call the field office to request an inspection. There is no guaranteed or estimated response time to inspection request, and there are no specific limits on inspector’s authority. Inspector may request alterations that are in conflict with the approved plan.

Issue 2

The development process is burdensome and uncoordinated and lacks clear standards and time frames.

Philadelphia does not provide a straightforward process for those who wish to build new homes or rehabilitate existing homes. The development professional must independently negotiate with up to 14 agencies and boards to determine what he can build. If there are conflicting requirements between offices, it is up to the development professional to negotiate for flexibility on the part of one of the agencies. There is no coordinator who facilitates the work of developers in this process, nor is there an entity that practices regular oversight over the departments' practices and procedures.

Further, **Philadelphia provides no time frames for review.** A developer who complies with all requirements is given no time frame within which she can expect to obtain a permit, nor is the developer who fails to meet the requirements told when she can expect a rejection and thus proceed with an appeal.

Philadelphia does not furnish clear-cut standards for review. Architects, engineers and contractors try to meet unwritten standards and go by personal interpretations of requirements. Design professionals often describe the current process as "you show me yours and I will tell you why you are wrong."

Finally, Philadelphia does not offer a single point of entry into the development process, although the most common gateway is Licenses and Inspections. The Philadelphia Home Rule Charter gave Licenses and Inspections responsibility for the review, issuance and inspection of every permit or license required by the City of Philadelphia. L&I can be an unfriendly gateway because it serves a large variety of customers and enforces a strict no-appointment, first-come, first-served policy without distinguishing between types of permit seekers. A developer seeking to build a \$10,000,000 subdivision in West Philadelphia waits in the same line, goes to the same counter and sees the same personnel as a business seeking approval to place a dumpster. As a result, it is common for a development professional to arrive at L&I early in the morning with a book and lunch in hand to wait the day away just to submit an application or pick up an approved permit.

Adding to the problems is the fact that L&I is understaffed, and has been losing employees consistently since 1970, with staff dropping from 493 to 431 since 1998 alone. Since 1992, the number of construction permits issued by the department has increased by over 100 percent while the customer service staff has decreased. From 1970 to today, the number of L&I employees has dropped from 810 to 399.¹⁶ And the L&I examiner position, charged with authority to reject or approve proposed projects, is not currently a professional position. The only educational requirement is a high-school diploma.

JOB DESCRIPTION FOR ZONING EXAMINER 2:¹⁷

Examining and reviewing complex zoning and use permit applications for conformance with zoning standards. Employees in this class review applications for proper execution, approve or disapprove zoning and use permit requests, and verify information through zoning maps and records. Significant aspects of the work include eliciting required information from applicants, interpreting the Zoning Code, and explaining code requirements to the general public or their representatives.

Required Education: Completion of the twelfth school grade.

ACTIONS

SHORT-TERM Action:

Developer Services Teams should be created to operate until the long-term action, a Construction Permit Center, is operational.

Currently in Philadelphia, an informal Developer Services Team has been created by management employees at the Office of Housing and Neighborhood Preservation, Planning, L&I, and the Streets and Water Departments. The group of four or five management personnel representing key departments meets early in the process to discuss potential plans for development. The group is not a formally recognized body and cannot grant permits. Rather, the team offers members a chance to jointly discuss a multifaceted plan prior to individual agency review. The existence of the Developer Services Team is not well known, and there is no uniform way to engage their services.

Philadelphia should create two teams to review and approve or reject permit applications for large-scale development. Each team should include one professional, experienced representative from Licenses and Inspections, the Streets Department, the Water Department and the Planning Commission, as well as periodic participation by a member of the managing director's staff to oversee the process. The team should be assembled for a pre-submittal meeting and remain assigned to a project throughout the development process. The Developer Services Team should review site plans and supporting documentation and, if the application is complete and satisfies all requirements, the team should have the authority to approve permits on the spot. The developer should not be required to walk to each separate location and submit plans to each city agency at its intake desk.

Only in rare instances, when the agency representative does not have the background or authority to make a decision, should other agency employees' involvement be required. In this case, the team member can set up an appointment for the developer to meet with the relevant employees and facilitate their exchange. Baltimore and Los Angeles have found that the developers' team approach achieves "many of the proven benefits and reductions in cost without requiring the city to relocate all of its departments to one building."¹⁸ Phoenix's Plan Review Teams have reduced the permit review time from three to four weeks to two to four days.¹⁹

COST: None. There is no need for additional employees or office space.

“ The Developer Services Team is not a formal board or committee. Some city employees put it together because we wanted to help. If we leave tomorrow, it won't exist. The committee needs to be formalized under the Managing Director's office. ”

Paul Lonie, Streets Dept.

LONG-TERM Actions:

Create a one-stop shop — Philadelphia style.

Cities across the country have created one-stop shops — moving all development service agencies into a single building, merging agencies and creating a new customer interface. With all responsible parties at one location, customers save countless hours of going back and forth between departments, and city employees can work together to bring desirable projects to fruition. Philadelphia can achieve the benefits of a one-stop shop without major restructuring.

Philadelphia should create a Construction Permit Center, by interagency agreement, to be staffed by a manager and one or two professional employees from each development review agency.

The Construction Permit Center would create a center for large-scale development permit review that is staffed by professional employees from approving agencies. The staff would remain members of their original departments but would perform their job duties from the permit center a couple of days a week. The center would have an onsite manager who reports directly to the managing director and would be responsible for the coordination and tracking of all permit applications.

The manager, through interagency agreements, would have full supervisory power over the conduct of the Construction Permit Center and oversight authority for permit review for large-scale projects. The manager would maintain the computer system, set operational policies for the office and facilitate interagency cooperation. The departments would retain responsibility for the technical review procedures associated with each permit.

No charter change or employee transfers would be necessary to staff the new center.

With the exception of a new managerial position to coordinate the center, staff members would perform the same basic activities from a different location on days the Construction Permit Center is open. Therefore, additional staff costs should be minimal. The Managing Director's office, with supervisory authority over Licenses and Inspections, Water Department, Streets Department and other key development services agencies, should be charged with monitoring the implementation of interagency agreements and the set-up of the permit center. With proper staff and equipment, the office could quickly become self-sufficient and entrepreneurial.

COST: Creating the Construction Permit Center will require the transfer or hire of a manager; the rental of a space of sufficient size to accommodate a reception desk, a conference room and several work stations; and the purchase of computers and office equipment. All costs can be covered by a portion of L&I's existing permit revenue profits, which average \$11 million per year, and/or by additional developers fees for expedited review.²⁰ Other cities have covered costs for creating and maintaining an expedited process through fees, including Raleigh, North Carolina, which charges a fee of \$1,000 an hour for simultaneous site plan review by all agencies, and Phoenix, which charges \$103 per hour for expedited review as a part of its Customized Plan Review for large-scale development.²¹

L&I Revenues Exceed Expenditures

Fiscal Year	L&I Fee Revenue	L&I Expenditures*	Profit from Fees
1998	\$36,432,477	\$20,029,123	\$16,403,354
1999	\$34,152,520	\$20,663,441	\$13,489,079
2000	\$32,177,676	\$20,728,775	\$11,448,901
2001	\$32,942,087	\$20,824,787	\$12,117,300
2002	\$29,136,999	\$23,995,071	\$5,141,928
2003	\$34,458,606	\$23,209,044	\$11,249,562
2004	\$37,935,413	\$26,262,135	\$11,673,278

* Total L&I budget excluding demolition funds

Source: Licenses and Inspections

Let's Encourage Residents Who Seek to Invest in Their Homes!

While we recommend that large-scale development projects be moved from L&I's standard intake process into a Construction Permit Center, this does not eliminate the need to improve Licenses and Inspections in order to facilitate the emergence of new businesses and the improvement of older housing.

To that end, L&I can become more customer friendly. A greeter or concierge near the entrance door can do basic triage — finding out what each individual seeks to achieve at L&I. The greeter will have at his desk a series of detailed pamphlets and flyers that will describe the requirements for the various processes. The greeter can direct applicants to one of two lines: business (business persons seeking a license or permission to add a sign or to change or expand a commercial space) and residential (homeowners and rental property owners). Los Angeles has successfully hired and trained greeters and has found that the concierge approach improves customer satisfaction. Boston is trying this approach as well.²²

Another step L&I can take to improve customer service is to offer a weekly zoning clinic. We recommend that L&I provide zoning clinics one evening a week for homeowners and business people who need help understanding the process. Boston's Department of Inspectional Services currently provides a zoning clinic for discussion of basic procedures and document requirements and offers each applicant a fifteen-minute, one-on-one session to discuss the requirements for that specific project. This process is very customer friendly and saves substantially on the time examiners must spend explaining the system to first-time users.²³



“ The development center puts the city's customers first — both development professionals and homeowners. It wasn't easy to redesign a process that took decades to complicate, but it was well worth the effort. ”

Former Mayor of Milwaukee John Norquist ²⁴

Issue 3

Building inspections do not occur in a timely manner, and inspectors often add requirements not in the approved plan.

It is difficult to arrange for inspectors to come to a site to make inspections in a timely manner.

Inspections are necessary at many steps in the construction process to ensure that construction is performed safely and in accordance with the building, electrical, plumbing and other codes. Builders request an inspection by calling the Licenses and Inspections inspector assigned to the project.

Each L&I inspector is responsible for inspections within a geographic area with no response-time requirement. This inability to depend upon an inspector to inspect the site within 24 or even 48 hours of a request creates added cost and delay, because construction cannot progress until required inspections are completed.



ACTIONS

SHORT-TERM Action:

Improve inspection turnaround time.

L&I should start immediately to record the time of inspection request and completion to determine the range of wait times for each inspector. A target time frame between request and inspection should be set and data collected regarding inspection turnaround time. The percentage inspected within the target time frame should be published two times a year on the city's website.

Cost: Minimal; solely that required to track internal performance data.

LONG-TERM Action:

Create automated inspection request system like Los Angeles's Automated Inspection Request System (AIRS), which allows customers to request a construction inspection by phone or over the Internet 24/7.

Staff input these requests, create route sheets for each inspector based upon geographic district and provide a two-hour window and confirmation information for each inspection. When requested inspections exceed the number an inspector can perform within 24 hours, the supervisor transfers responsibility to another inspector. Supervisors call a minimum of two contractors each week to discuss employee performance. As a result, 99.9 percent of construction inspections — 630,000 a year — are completed within 24 hours of the request.²⁵

COST: Software designed to automatically take inspection requests and centrally schedule inspections is available for \$1,000 and up. Los Angeles was able to achieve a 24-hour turnaround with existing inspection staff. Once we free Philadelphia inspectors from spending time each day scheduling inspections, we will be able to determine if we can achieve a consistent, one-day turnaround time with existing staff or whether we will need to add inspectors.

Inspectors often add requirements that were not a part of the approved plan.

While it is the primary role of the Planning Commission and City Council to develop policy and the role of inspectors to enforce that policy, *Philadelphia building inspectors make new policies every day.*

The Philadelphia Code clearly states in *Section A-202.2 Duties and Powers of The Code Official* that L&I shall “inspect the premises for which such permits have been issued and enforce compliance with the provisions of this code and the technical codes.”

That is the inspector's job, to enforce the code. It is the plan examiner's job to ensure that the approved plan meets the code. At a time when all permits have been issued and construction has begun, the inspector's role is solely to ensure that the approved plan is followed and that all codes are enforced. Yet inspectors in Philadelphia routinely add requirements to the approved plan during construction.

Expressly restrict inspectors' authority to the enforcement of the approved plan and Philadelphia building codes.

If the inspector discovers that a component of the approved plan creates a health and safety risk, the inspector should immediately inform his or her supervisor. The supervisor can then discuss the issue with the original plan examiner, who will be responsible for amending the plan and notifying the owner of the changes. In Los Angeles, this procedure allows the city to speak with a more consistent voice and has dramatically reduced mid-construction changes imposed on contractors.²⁶

COST: None

ACTION

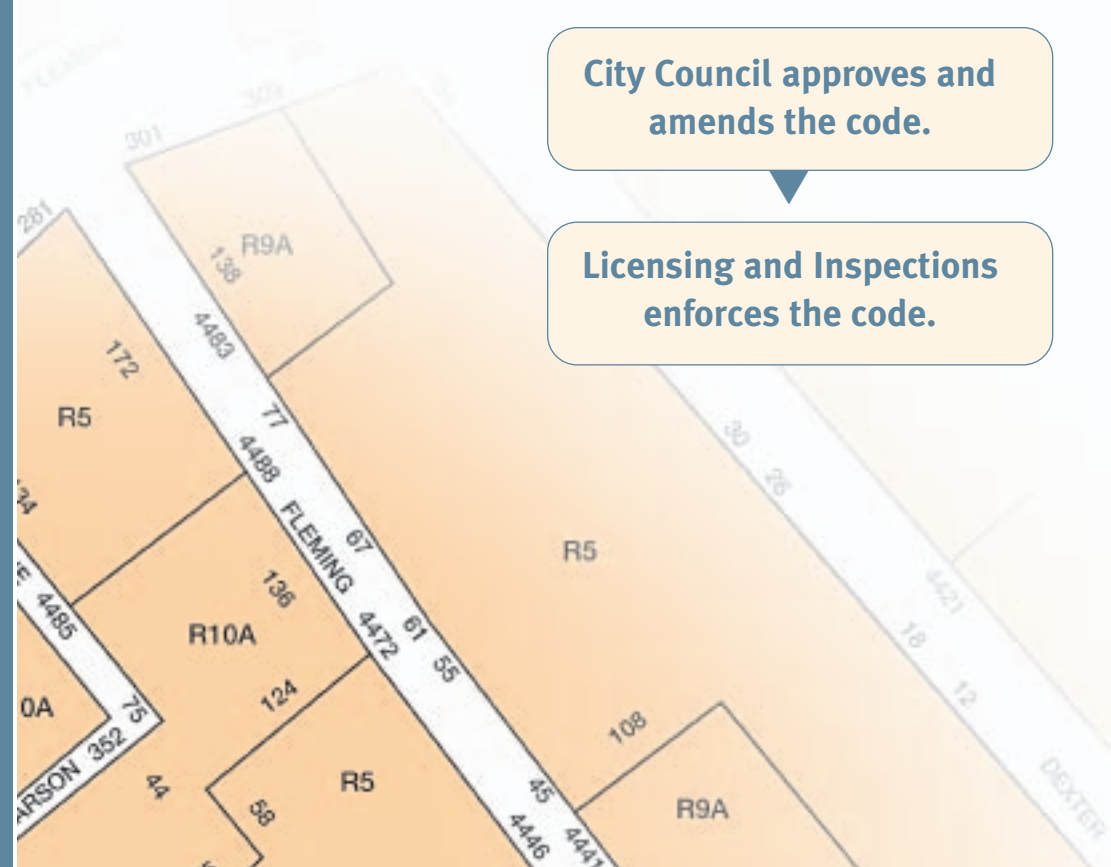
Issue 4

To determine zoning restrictions on a parcel of land, a development professional must go in person to Licenses and Inspections and ask the L&I examiner to consult paper maps.

The Zoning Code has two parts: (1) the text that details permitted and prohibited uses in 55 different zoning districts, and (2) the map that determines the area covered by each zoning district.

An early step in choosing a location for development is to determine how an area is zoned. Philadelphia provides an electronic map at www.phila.gov that permits you to enter an address and reveals the primary zoning classification that controls that address. However, the map does not let you know whether the property falls within one of the city's 18 overlay districts²⁷ or a historic district or whether City Council has imposed additional use restrictions on that property through Zoning Code amendments.

This information can only be ascertained by going to L&I and waiting in line for an examiner, who will review a series of manual maps to determine all zoning restrictions that affect the parcel. Both city personnel and lawyers involved in the development process have described instances when a specific restriction was overlooked during manual map review and then discovered after construction had begun, causing substantial delay and added cost.



The Planning Commission writes the Zoning Code.

City Council approves and amends the code.

Licensing and Inspections enforces the code.

ACTIONS

SHORT-TERM Action:

Philadelphia should retain a consultant, nonprofit or university office with mapping capabilities to layer all existing paper maps into a single, comprehensive electronic map.

Once the map is completed, the Planning Commission or Licenses and Inspections should be responsible for updating it weekly. Each time City Council creates a new restriction on uses, the map should be corrected within ten days. (Currently it can take up to six months for a Zoning Code Amendment to make it into the codebook.) In the interim, on the Internet and at L&I, a memo (electronic or paper) can be used to describe the change, its purpose and its applicability.²⁸

Cost: The cost of creating a single electronic map is \$20,000 to \$40,000, depending on specific conversion issues. This cost will be offset by the decrease in staff time used to examine and analyze the series of paper maps for each proposed project. This staff time can be devoted to the review of other zoning matters.

Prior to the institution of Chicago's Permit Wizard, Chicago residents, like Philadelphians, had to visit City Hall to research zoning questions and to rely on paper maps that were updated manually or in a published code book with information that could lag a year behind zoning changes. How has its new, online system helped Chicago?

According to Edward J. Kus, Executive Director of the Mayor's Zoning Reform Commission, "Now we can present up-to-date information to people right in their own homes. In this era of constant redevelopment in Chicago, it is important for citizens to know what kind of projects can be built in their neighborhoods." ²⁹

LONG-TERM Action:

Once Philadelphia's Zoning Code is modernized, the city should be remapped with strong public input.

Cities across the country have invested in a public process to remap neighborhoods and work with communities to create an understanding of what each neighborhood needs to thrive and grow. One remapping effort, *Map Pittsburgh*, offers valuable insights into how a public input process in Philadelphia might work. In its third year of a five-year process, 88 neighborhoods have been mapped and 26 are in process. Neighborhood groups work with a city planner to create remapping proposals. Volunteers conduct land use surveys. The Planning Commission reviews the proposals, makes changes and recommends a final proposal to the City Council. It takes approximately nine months to gain consensus around the mapping of each neighborhood. This process has left Pittsburgh residents and development professionals positive and comfortable about the city's zoning designations and the types of residential, commercial and industrial housing permitted in each neighborhood.

Issue 5

Philadelphia's zoning code is outdated, cumbersome and difficult to use.

According to Philadelphia's 1960 Consolidated Plan, the 1962 Zoning Code was based upon three assumptions:

- (1) Center City will remain the dominant regional center;
- (2) the city's economy will continue to grow; and
- (3) the city will maintain a balanced population, including middle-, high-, and low-income families.³⁰

The reality has been far different. In 1960, the city's population exceeded two million. By 2000, the city had lost one quarter of its population, considerable jobs and a large percentage of its middle class to its surrounding suburbs.³¹

At one time, Chicago had 99 different zoning and special districts (32 residential, 52 business and commercial, 15 industrial).³³ Today, it has eight. Why did Chicago so drastically reduce its zoning districts? To encourage new investment and remove "ridiculous distinctions to tailor zoning classifications to development policies."³⁴

Faced with an outdated Zoning Code and changing demographics, City Council has amended the code hundreds if not thousands of times in the past 40 years. While amended with the best intentions, these amendments have produced an unduly complex and incoherent 624-page set of regulations that only experts can understand — and even they often disagree on their meaning.³² The average citizen or builder has little hope of determining how a particular parcel of land may be developed.

Philadelphia has committed to a total rewrite of its Zoning Code. A new code will provide a modern set of design guidelines for the city for the first time in four decades. It will help our neighborhoods thrive and prosper by giving neighborhoods new options, vitality and control over their futures. Unfortunately, the experiences of our peer cities in rewriting their zoning codes and remapping their neighborhoods, as detailed in the chart at the end of this report, show that the process will take years, even with the help of expert consultants.

It is critical that, in the interim, we amend the existing Zoning Code to remove or reform the code provisions that pose some of the most costly obstacles to desirable development.

“How does one decide what can or cannot be built on every plot of land in a highly diverse city of more than 1.5 million people and 135 square miles? With tremendous input from residents, business, zoning experts and urban designers.”

—Bob Rosenthal, Westrum Development

What Do Modern Zoning Codes Have That Philadelphia Needs?

A reasonable number of zoning districts that create workable development envelopes

Philadelphia has 55 zoning districts that determine land use for 72,000 acres. The number of districts has grown from 13 (in 1933) to 16 (in the 1950's) to 43 (in 1962) to today's 55. Thirty-one of the zoning districts are residential, and they determine land use for 48 percent of the city's land, or 35,000 acres. The fact that we have 31 different residential zoning districts, each with differing lot sizes, setbacks, and yard and height requirements makes building houses more difficult and expensive in our city. Zoning rules change street by street and neighborhood by neighborhood, and it is often impossible to build the same house in more than one available location.

Chicago has eight residential zoning districts. Pittsburgh has five. Baltimore has 12 residential districts. Detroit has six. ***So why does Philadelphia have 31?***

Philadelphia has multiple zoning districts that permit the same residential uses and differ solely as to setback and yard size requirements. In contrast, cities with modern codes divide the different residential uses — primarily single-family, multi-family and residential with commercial ancillary uses — into separate residential uses and then permit density and setback to be determined by what is most in keeping with neighborhood character.

In Philadelphia, we have so many zoning designations that 65 percent of residential zoning districts (20 out of 31) each cover less than one percent of the total residentially zoned acreage. The impact of consolidating 31 zoning districts into 11 would affect only 4.3 percent of the city's residential acreage.

65% OF DISTRICTS COVER LESS THAN 1% OF RESIDENTIAL ACRES

Residential Zoning Districts	Acres Designated as this Zoning District ³⁵	% of Total Residentially Zoned Acreage
R1	1649.5	4.8%
R1A	200.5	0.6%
R2	4939.8	14.3%
R3	1091.8	3.2%
R4	2782	8.1%
R5	6870.6	19.9%
R6	861	2.5%
R7	43.3	0.1%
R8	17.7	0.1%
R9	2960.3	8.6%
R9A	5168.5	15.0%
R10	2911.7	8.4%
R10A	2440.1	7.1%
R10B	9.2	0.0%
R11	198.3	0.6%
R11A	138.7	0.4%
R12	823.5	2.4%
R13	342.8	1.0%
R14	155.2	0.4%
R15	168.5	0.2%
R16	47.3	0.1%
R17	0	0.0%
R18	0.9	0.0%
R19	4.8	0.0%
R20	21.3	0.1%
RC1	19.6	0.1%
RC2	1.6	0.0%
RC3	9.8	0.0%
RC4	51.2	0.1%
RC5	0	0.0%
RC6	158.8	0.5%

Shaded areas indicate zoning designations that affect less than 1% of residential land.

A COMPARISON OF PHILADELPHIA AND CHICAGO'S RESIDENTIAL ZONING DISTRICTS

	Chicago	Philadelphia
Exclusively Single-Family	R1, R2	R1, R1A, R2, R3, R4, R5, R6, R9A, R10A, R20
Single-Family and Multi-Family	R3, R4, R5	R5A, R7, R8, R9, R10, R10B, R14, R15, R16, R17, R18, R19
Residential/ Commercial	R6, R7, R8	RC1, RC2, RC3, RC4, RC6

In 1962, the new Zoning Code made most of residential Philadelphia a “non-conforming use.” The code intentionally made it impossible to build a standard Philadelphia row house in order to reduce density in the city and work towards a more suburban pattern of growth. Although the average city lot size is 2,400 square feet, 10,000 square feet was set as the minimum lot size for houses in R1 Single Family Zoning Districts. Also, setback requirements of 35 feet from the street were adopted for new construction in single-family districts, even though many city neighborhoods consist of rowhouses that go right up to the sidewalk.

“Contextual” zoning

“Contextual” zoning — promoted by civic groups and the building industry alike — is a zoning tool that helps keep a neighborhood’s skyline and the character of its buildings relatively consistent. Contextual zoning allows builders to deviate from height, placement and scale requirements for new residential buildings when the code requirements do not fit the character of the neighborhoods in which they are located.

How would this help Philadelphia? Here is a classic example. An older Philadelphia neighborhood is comprised of homes that are 41 feet tall. A developer seeks to build new homes at that same height within those existing blocks. The Zoning Code restricts the height of the buildings to 35 feet in this location, so the developer is told that new buildings must drop 6 feet below those of the existing homes. This type of review places full reliance on quantified standards and not enough on enhancing neighborhood character.

In contrast, under Pittsburgh’s Zoning Code, “the allowed contextual height may fall at any point between the (zoning district) maximum height limit and the height of a building that exists on a lot that is adjacent to the subject lot.”³⁷ Similarly, “A Contextual Front Setback may fall at any point between the required front setback and the front setback that exists on a lot that is adjacent and oriented to the same street as the subject lot.”³⁸

The Philadelphia Zoning Code does not recognize the concept of contextual zoning, leaving Licenses and Inspections little or no power to consider the immediate setting in its review of development proposals.

REASONS TO UPDATE YOUR ZONING CODE⁴¹

The American Planning Association asked cities to take a little test. If your zoning code shared too many of the listed characteristics, then your city needs a new Zoning Code. Under this analysis, Philadelphia certainly does.

Zoning decisions are regularly appealed or adjudicated	✓
Code is subject to different interpretations.	✓
Code is not administered in an evenhanded and consistent manner	✓
Excessive number of zoning districts (Over 15 suggests a problem)	✓
Standards not in keeping with modern development practices	✓
Inconsistent writing styles (differing terms used interchangeably)	✓
Archaic terms, legalese, confusing language	✓
Code is too voluminous (May be a problem if code exceeds 300 pages)	✓

A uniformity requirement that ensures that every R9 district contains the same use restrictions as every other R9 district

Between January 1, 2000, and June 15, 2003, City Council introduced 102 bills to amend Philadelphia’s Zoning Code.³⁹ Many of these zoning changes affect one Councilmanic District or some other subset of the city *that is not recognized as a land use area*.

Such amendments are passed in conformance with a longstanding tradition of deference to a District Councilperson who seeks a change that only affects his or her district. As a result, Philadelphia has developed a complex matrix of code restrictions that are different for each Councilmanic District and sometimes different between connecting streets. (Periodic changes in the geographic boundaries of Councilmanic Districts add another level of complexity.) Each new ordinance that adds a layer of uncertainty to the development process detracts from the city’s ability to attract new development and construction. Philadelphia’s Zoning Code has become a political document rather than a planning document.

In Pennsylvania and in the majority of our peer cities, zoning regulations must be uniform for each class or kind of structure and use throughout each district.⁴⁰ That means that all uses permitted in one district zoned R3 must be permitted in all R3 districts. The reason for the uniformity clause is to facilitate a clear, comprehensible zoning system and to ensure that City Council must achieve consensus on appropriate uses within zoning classifications. Philadelphia needs a uniformity requirement.

Although Chicago rewrote its Zoning Code and streamlined its process, the city did not touch what is commonly referred to as the “aldermanic zoning prerogative,” a Chicago City Hall tradition that gives the sitting alderman in each ward broad latitude in blocking or allowing rezoning within his ward. This prerogative is “a cottage industry of sorts for some aldermen, who have found it to be a safe fundraising tool and solid vote-getting strategy.” The practice occasionally has led to abuse and temptation, including bribes offered in exchange for zoning. The process was subject to much discussion during the rezoning process, but City Council would not agree to limit its discretion.³⁶

Allowances for modern architectural features

The original purpose of Philadelphia's inner court requirement was to ensure adequate light and ventilation in tenements, but now it eliminates the use of common features of modern design.

After a terrifying legacy of dark and airless tenements, in 1901 New York City replaced air shafts with newly required inner courts in hopes that they would provide better ventilation and light to inner apartments. Philadelphia followed suit when it adopted its first Zoning Code. To this day, an inner court (an open, uncovered and unoccupied space on the same lot as a building in which such space is enclosed wholly by buildings, walls or other enclosing devices) must be 12 feet wide.

Licenses and Inspections interprets any area that is less than 12 feet wide with two walls and no roof or a partial roof as a court. The unintended consequence is that, any time an architect designs an offset (such as a balcony) without a roof, he or she has created a court and will most probably require a variance. Similarly, a court is created whenever there is a recessed door with a partial roof, a garage that creates an exterior hallway or two or more dormer windows.

These architectural features do not affect sunlight or ventilation, yet they are subject to the Zoning Code's dated inner court requirements. Enforcement of this requirement often results in the architect agreeing to remove interesting design elements and to square off the building to avoid creating an inner court.

Setback requirements should exclude architectural features and projections.

Philadelphia's Zoning Code requires that homes be set back a certain number of feet from the road. A setback is the minimum amount of space required between a lot line and a building line. For example, in R1 Zoning Districts, the requirement is that "the building setback line shall be 35 feet from all street lines."⁴² When a bay window, an awning or a roof overhang is added to the property, the setback is measured from the tip of the appurtenance to the lot line and can therefore cause the building to fail to meet the required setback. Pittsburgh, Chicago, Denver and other jurisdictions have specifically excluded architectural features such as bay windows, awnings, air conditioning units and wheelchair ramps from the setback requirement.⁴³ Their reasoning is simple — good architectural design and added flexibility in including appurtenances can add value to homes.

Basic requirements such as fence height must be made to reflect current retail reality.

The Philadelphia Zoning Code requires that a front yard fence be no more than 3 1/2 feet high. In contrast, most city zoning codes, including the codes of Denver, Milwaukee and Cleveland, allow front fences up to 4 feet in height.⁴⁴

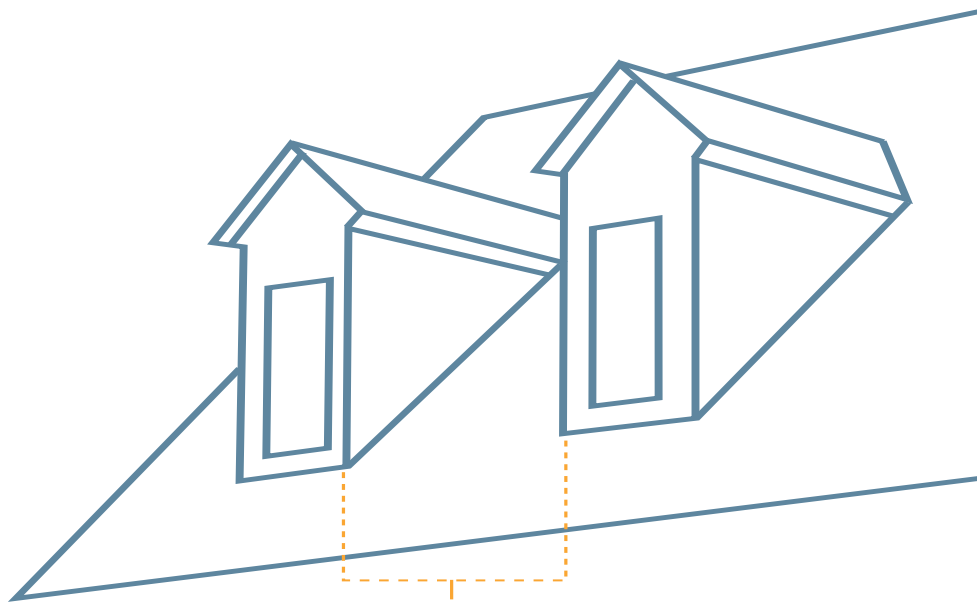
What is the importance of a half-foot of fencing? Cost. Manufacturers' standard fences are four feet high. City Council staff spends many hours providing constituent services to a homeowner or landlord who seeks to improve a property by adding a fence and must obtain a variance to do so. While at first glance this may appear to be a good political space for City Council to fill, this staff time should be allocated to resolving more urgent or complex issues. City homeowners should not be asked to spend significantly more to construct a custom fence or to obtain a variance to be able to use a standard-height fence.

“One simple way to increase the supply of affordable housing and create opportunity-based communities is to eliminate the procedural obstacles to development. Time means money, and streamlining project approval procedures can help overcome some of the hurdles to housing production.”

Beverly Coleman, Philadelphia Neighborhood Development Collaborative

BY REFORMING THE WAY WE REGULATE HOUSING CONSTRUCTION, PHILADELPHIA CAN DO THE FOLLOWING:

- provide incentives to build exciting, well-designed housing rather than “cookie-cutter” projects,
- remove inequities between the large-scale developer and smaller business people who do not have the ability to spend months overcoming roadblocks to development,
- increase affordable housing as costs of getting through regulatory processes decrease and
- gain revenue from homeowners who may begin to obtain permits to make home improvements legally.



Since Philadelphia's code interprets any area with two walls and no roof as a court, these dormer windows must be at least 12 feet apart.

Actions Steps for Immediate Reforms to Zoning Code

Four basic changes to our existing Zoning Code will create a more competitive development environment. Philadelphia should make these changes immediately:

1. Consolidate or eliminate zoning districts with purposes that were too narrowly defined or for which there were insufficient distinctions in uses or standards.
2. Allow the character of the existing neighborhood to be considered in determining height, lot and setback requirements.
3. Join the rest of the state and our competitor cities and pass a uniformity clause that requires that “zoning regulations must be uniform for each class or kind of structures and uses throughout each District” to eliminate complex and unfair distinctions between districts.
4. Allow for modern architectural features: eliminate the inner court requirement or reduce it to 3 inches, as the International BOCA Building Code recommends; exclude appurtenances and architectural features from setback requirements; and increase maximum residential fence height from 3 1/2 feet to 4 feet to permit Philadelphia homeowners to use retail fences.

Issue 6

The majority of large-scale developments and a high percentage of smaller new construction and rehabilitation projects require a zoning variance in order to be built.



Appeals to the Zoning Board of Adjustment have become a routine step in the development process because zoning designations have not been updated to modern realities.

The Zoning Board of Adjustment, a board of five mayoral appointees, was created by ordinance in 1933. The ZBA determines whether to grant variances for proposed construction when it does not meet the requirements of the Zoning Code. The majority of large-scale development in Philadelphia currently requires approval under discretionary review procedures — a hearing before the Zoning Board of Adjustment — in order to be built. By definition, discretionary review entails case-by-case evaluation and negotiation, and thus can be unpredictable and time-consuming for developers. Due to out-of-date zoning designations on developable sites and the antiquated descriptors for these zoning categories discussed earlier in this report, more than 35 percent of all issued zoning permits (and virtually all large-scale new construction permits) must go to the ZBA. As a result, the ZBA is overburdened and has conscientiously added hearing days to its schedule to address 65 to 75 cases per week. Yet the majority of its caseload involves routine variances to build standard homes or make common additions rather than the complex zoning issues for which the board was created.⁴⁵

A healthy zoning system should not require developers to obtain a variance in order to build market-sensitive housing units. If Philadelphia seeks to compete with other major cities, we must provide a predictable road to development and provide permits based on clearly defined rules. In 2002, Philadelphia produced 554 to 1000 new single-family or multi-family housing units, many with government subsidy.⁴⁶ In the same year, the nation's other ten largest cities all exceeded 5000 units, with one exception — Detroit. Philadelphia cannot afford to hang on to a process that favors discretion and subjectivity over objectivity, clarity and predictability.

Authorizing administrative adjustments on a limited basis will do the following:

- allow development that is more in keeping with the established character of each neighborhood
- provide flexibility that will help promote rehabilitation and reuse of existing buildings
- provide options for the productive reuse of awkwardly shaped lots
- reduce the heavy workload of the Zoning Board of Adjustment, which has required the board to convene on additional days and to temporarily stop offering its expedited hearing option due to backlog
- reduce turnaround time by six weeks to a year for construction, rehab and home-improvement projects.

Philadelphia's failure to provide zoning rules that allow homes to be built as of right is not accidental. Some public officials contend that every new development or home addition should be subject to public hearing so that current residents can have the greatest opportunity to voice their opinions about the proposed development or new deck. Public input is one important component of creating a vision for the city and making decisions about land use in neighborhoods. Yet if Philadelphia is to grow, once those decisions are made, developments that are consistent with that vision and plan should be able to be built quickly and efficiently.

ACTIONS

SHORT-TERM Action:

Philadelphia should give its Development Services Team and Construction Permit Center staff authority to make minor adjustments to the code to facilitate new construction and rehabilitation of existing homes.

This authority should be spelled out in detail, providing a small range of flexibility. Each administrative adjustment must be

1. included in a finite list of permitted minor modifications allowed until the Zoning Code has been rewritten and modernized,
2. approved by a supervisor, and
3. recorded in an administrative adjustment database that will be reviewed twice a year by the L&I Commissioner's office or the Managing Director's office to ensure that no improprieties, biases or favored treatments have occurred.

The list of permitted administrative adjustments should be derived from an evaluation of the most commonly requested variances granted by the ZBA for the past two to three years.

Chicago has made administrative adjustment procedures an integral part of its new Zoning Code. Here are two examples of Chicago's administrative adjustments:

- "to permit the use of a lot for a use otherwise prohibited solely because of the insufficient lot area, but in no event may the area of the lot be less than 90 percent of the required minimum lot area."
- "to allow required rear yard open space to be located on a deck or patio located a greater distance above grade than otherwise permitted . . . when the Zoning Administrator determines (1) that such adjustment will provide open space that is more functional and usable than would strict compliance with the standards of this section and (2) that the minimum applicable open space area standard will be met."⁴⁸

COST: None if done in-house. The Planning Commission has sufficient capacity to draft these changes. The hiring of expert consultants who have rewritten zoning codes with ranges of flexibility for other cities is also an option.

LONG-TERM Action:

Completely revise the Zoning Code and the Comprehensive Plan upon which it is based, with substantial public input.

COST: Philadelphia's Planning Commission has already committed to a rewrite of the code.

Number of Cases/Appeals Before the Zoning Board of Adjustment Seeking Variances⁴⁷ (fiscal year):

2000:	1482
2001:	1368
2002:	1503
2003:	1700 (est.)

Source: July 2, 2002 Memorandum by Claire S. Gatzmer, Assistant Permit Services Manager/Zoning Administrator at L&I

The Zoning Board of Adjustment requires some variance applicants to incorporate specific systems or materials into a project's plans and specifications.

In addition to requiring changes to the plan to ensure that the construction will not be detrimental to surrounding properties, the ZBA frequently requires variance applicants to incorporate specific systems or materials into a building. While many agree that the required systems additions — garbage disposals and central air conditioning — may reduce the number of heat-related deaths and curb rodent problems on city streets, the fact is that they fall within the authority of Philadelphia's Building Code rather than the Zoning Board. Similarly, requirements that a builder use brick rather than stucco or include cable hookups in all new houses falls within the purview of the Building Code, which does not currently require these features.

ACTION

If a general consensus exists that mandatory air conditioning, garbage disposals, cable hook-ups and brick facades should be included in all new residential construction, City Council should amend the Building Code accordingly.

Licenses and Inspections can then enforce the requirements as a part of the normal plan review and building inspection process.

COST: None

In Philadelphia, a project cannot be built without a District Councilperson's backing.

What authority do District Councilpeople have over development in their districts?

- 1** Under the Home Rule Charter, City Council must approve the laying, striking or redesign of any street. By established tradition, only the District Councilperson can introduce the ordinance to alter a street in his or her district. As most large-scale development will require at least a minor change to a street, a District Councilperson's refusal to introduce the ordinance can effectively stop a project.
- 2** When a parcel needs to be rezoned because its Zoning District designation was decided several decades ago and no longer reflects the market for that property, the District Councilperson must introduce a bill to rezone the parcel. If the District Councilperson refuses to introduce an ordinance calling for rezoning, development efforts end there. An alternative would be to seek a variance for a particular parcel from the ZBA.
- 3** District Councilpersons are considered key witnesses at hearings before the Zoning Board of Adjustment. Very rarely does the ZBA grant a variance when the District Councilperson objects.



Issue 7

The city does not use available technology to make the permitting process faster, more responsive and more consistent.

Permits are the essential tool for administering land use controls and enforcing construction standards. The need to process permits and determine whether development plans fall within permissible options is undisputed. Performing this function efficiently to avoid expensive delays and facilitate development is essential. Yet Philadelphia does not use available technology to create a faster approval process, such as allowing developers to obtain and submit forms and documentation online or to check the status of their permits by logging in using a password. In addition, the city does not track key data it needs to understand and improve the system.

Philadelphia does not track the types of permits requested, the time it takes development to get through each step of the process, the number of permits accepted or rejected, or the disposition of appeals before the Zoning Board of Adjustment.

Adding technology and data analysis could radically improve the customer's experience by making the city's agencies more responsive, efficient and consistent.

ACTIONS

SHORT-TERM Action:

Philadelphia should analyze and publish annually a series of key indicators regarding permitting activity, development activity, permit turnaround, agency capacity and performance. This would allow us to understand and improve the effectiveness of its development process.

The immediate priority is to track how long the permit review process takes, from application to issuance.⁴⁹

COST: Data collection and analysis can be done in-house. There will be upfront and ongoing staff costs for collecting, aggregating, analyzing and disseminating data.

The city should establish clear timelines for each step in the review process and be accountable for meeting timelines.

To determine a reasonable timetable for Philadelphia, the Managing Director's office should track development through the process to determine average times for review at each stage and publish them. Once the Permit Center is opened, the Managing Director's office should publish goal time frames for each part of the approval process and provide information to the public on a regular basis stating what percent of reviews are completed within the goal time frame. Baltimore has established a goal to review and either approve or reject 100 percent of permits within 30 days. Currently, 98 percent meet this standard.⁵⁰

COST: None

Funding Automation

Local governments have used one of these four mechanisms to fund the automation of their permit review and regulatory processes:

- 1 A surcharge is added to existing fee-for-service activities (permitting, inspections). Surcharge fees are placed in a dedicated fund to be used for the purchase, installation and maintenance of hardware and software used in code adoption, administration and enforcement, as well as for the training of personnel.
- 2 Funding comes from a combination of a surcharge fee for service and general operating funds. Surcharge and other regular fees for service are placed into a general fund and must be appropriated by elected representatives back to the code enforcement agency.
- 3 Fee revenue from the development process is put back into modernizing and automating the development process for a period of years.
- 4 Bonds are issued to fund the acquisition of information technology for their jurisdiction.

LONG-TERM Action:

Philadelphia should automate the review process to make the process faster and more user-friendly.

Several different off-the-shelf software packages exist for project management and tracking, and customized packages that other cities have created may also be available.⁵¹

COST: Anywhere from \$15,000 to \$200,000

Issue 8

Philadelphia's plumbing code does not recognize technological advances in housing material.



In the beginning of the 19th century, Philadelphia was the first city in the nation to convert its water mains from wood to cast iron, the state-of-the-art 200 years ago. In the beginning of the 21st century, Philadelphia may be the last city in the nation to welcome plastic pipe, the state-of-the-art material today. To development professionals, the Philadelphia Plumbing Code's insistence on cast iron pipe for stormwater management, multi-family housing and most underground piping is a symbol of Philadelphia's unpreparedness to welcome new development.

Philadelphia's Plumbing Code does not allow the use of PVC pipe (polyvinyl chloride piping) as the standard plumbing material. It is not permitted in any multi-family housing with more than four dwellings or more than three stories.⁵² PVC pipe is not permitted for use underground when the land is filled ground or has been developed in the past,⁵³ or when house drains for water and sewer are laid alongside each other in one trench — which is the common practice.⁵⁴ PVC pipe is also disallowed for outside stormwater management. Why does severely limiting the use of PVC pipe matter? Why does it discourage regional developers from entering the Philadelphia market?

Plastic PVC pipe is the plumbing material of choice throughout much of the country because of its easier and cheaper installation, as well as its durability. A study conducted by IFT Technical Services showed that, on average, a PVC domestic hot-and-cold water system costs up to 44 percent less to install than a comparable copper system, and a PVC drain, waste and vent system cost up to 37 percent less to install.⁵⁵ The National Sanitary Foundation, which tests all plumbing materials for toxicity and lead content, has approved plastic plumbing materials for the last quarter of a century.

The state of New York recently amended its Plumbing Code to allow plastic pipe because the cast-iron pipe requirement “artificially drove up construction, repair and renovation costs when installing plumbing materials.” *The reform in New York City saved an average of \$1300 in construction costs per house.*⁵⁶

Philadelphia may see higher savings from Plumbing Code reform. A December 2001 study entitled *Choices: A Report on the State of the Region's Housing Market*, issued by The Reinvestment Fund and the Metropolitan Philadelphia Policy Center, found that plumbing costs for a typical \$120,000 new home in Philadelphia were \$8,992, while plumbing in a nearby suburban county for the same house were \$5,750 — a difference of over \$3,000 per house.

When these savings are multiplied by the modest number of new homes and apartments constructed in Philadelphia during the 1990s — 5,072 units — *the building industry and consumers would have achieved savings of over fifteen billion dollars.*

Philadelphia would benefit greatly from modernization of its Plumbing Code. Opening up the city to modern plumbing technology will not only make Philadelphia's housing more affordable, but will also send a message to developers across the country that we aren't the same old backward Philadelphia.

“On your average single-family Philadelphia house, using PVC as the standard pipe for all indoor and outdoor systems would reduce costs by at least \$3000.”

—Steve Ehrenhalt, Steph-Sin Incorporated Plumbing

ACTION

Philadelphia should adopt the uniform building codes, including the International Plumbing Code.

In November 1999, Governor Ridge signed the Uniform Construction Code (UCC) Act which adopts the International Code Council family of codes including the International Plumbing Code as the statewide construction codes of Pennsylvania. The State asked all municipalities to adopt these uniform codes and by doing so to modernize their codes to meet national and statewide standards.

In July 2004, Philadelphia informed the Pennsylvania Department of Labor and Industry of their decision to retain their current Plumbing Code. Philadelphia should adopt the Statewide Plumbing Code and begin to seek out technological innovations that reduce the cost of housing rather than retaining the innovations of 1804.

COST: None

Although Chicago once treated plastic pipe “the way the Iranian mullahs regard exposed female ankles: an unwelcome side effect of modernity to be resisted at all costs,” the city began to accept plastic pipe for drain-waste-vent piping and for stormwater management in 1990. Indoor plumbing is still restricted to cast-iron or copper pipe as a compromise with Chicago's unions.⁵⁷

“This is a case of the plumbers' union calling the shots,” said Andrew Terhune of Toll Brothers Inc., a major residential developer. “Does Philadelphia, with all of its problems attracting and keeping residents, need something that will increase costs?”⁵⁸

Issue 9

Agency authority and relevant standards for stormwater management are unclear.

Currently, three agencies with three differing standards share responsibility for stormwater management. The Planning Commission is the primary approval authority and bases its review on standards detailed in the Zoning Code. The Water Department creates specifications for all detention and retention systems and is the only agency with the expertise to test percolation standards. A third agency, the Plumbing Division of Licenses and Inspections, is responsible for inspecting system design by enforcing the Plumbing Code.

In 1998, City Council passed an amendment to the Zoning Code that requires development professionals to submit a stormwater management plan whenever a surface area of more than 15,000 feet (about a third of an acre) will be cleared or disrupted or its impervious surfaces increased due to construction.⁵⁹

Development professionals must submit two copies of the Stormwater Control Plan and two copies of the permit application to the Department of Licenses and Inspections. L&I then routes one copy to the Planning Commission and the other to the Water Department. The Planning Commission, applying the standards in the Zoning Code, must approve the stormwater management plan in order for a permit to be approved and issued under the newly amended procedures. The Water Department provides the specifications for detention and retention systems and tests percolation rates, but its approval isn't necessary to grant a permit.

The plumbing inspectors perform inspections of stormwater management systems under Plumbing Code standards. Philadelphia's Plumbing Code states, "The design, installation, maintenance, alteration and inspection of plumbing systems, including sanitary and storm drainage, sanitary facilities, water supplies, stormwater and sewage disposal in buildings and premises shall comply with the provisions of this code and the regulations of the department."⁶⁰

Yet the Plumbing Code does not incorporate modern stormwater management practices, and as a result, pipe size, slope restrictions and other requirements designed for indoor plumbing systems are being enforced by inspectors reviewing stormwater management systems. The conflicting authority and standards of the Planning Commission, L&I and the Water Department in this process create a substantial roadblock to development.

ACTION

Place full authority for Stormwater Management in one agency — the Planning Commission, Licenses and Inspections, or the Water Department. Create detailed standards consistent with the current industry practice and provide checklists and manuals based upon those standards that will allow all permit applicants to create their plan based upon known, objective standards applied to all.

These detailed standards should be used to review the proposed plan and to inspect the design and construction of the stormwater management plan. Cities that have developed effective stormwater management standards include Baltimore and Phoenix.

Baltimore's Department of Environmental Protection and Resource Management created comprehensive, usable regulations and checklists for stormwater management, with the Department of Public Works as the review and inspection agency.⁶¹ Phoenix offers a detailed Stormwater Management Manual and a delineated checklist for stormwater design with the Development Services Department responsible for review and inspection.⁶²

Philadelphia must place authority in one agency and amend the regulations to ensure that one standard for review and inspection are used.

COST: None

NEW TECHNOLOGY WILL AID IN THE ACQUISITION AND TRANSFER OF ABANDONED PROPERTIES

The City's Unified Land Records Data System (ULRS) has created a seamless digital parcel map of Philadelphia for the first time.

The city is in the process of adding information about each parcel, which will help determine exactly what properties various agencies own and will provide helpful information for the acquisition process. The next technology tool that Philadelphia plans to develop is "The Vacant Property Management Information System" (VPMIS). VPMIS will apply to a subset of the cities' properties that are vacant and at risk or that for some other reason represent an opportunity for redevelopment. VPMIS will track the acquisition, demolition, assembling and disposition of properties.⁶³

Issue 10

The city's complex procedures for vacant land acquisition and disposition make it difficult for a developer to establish site control within a predictable time frame.

The city has a sought-after resource to sell — developable city land — but it does not have the resources to meet demand for this product. As a result, opportunities for growing Philadelphia are lost.

The Redevelopment Authority is the city's primary agent for the acquisition, assembly and resale of land and buildings for development. The Redevelopment Authority is the city's real estate agent, wholesale land banker and redevelopment agency — all wrapped up in one.

Rarely, however, has a salesman with a product been so difficult to pin down as to what land he has, what land he can obtain, and when or how developers who seek to invest in the city can obtain site control over the land. Developable land is the foundational requirement for any residential development in Philadelphia. Without a predictable, low-cost source of developable land, Philadelphia's efforts to attract private market developers will fail — regardless of how efficient and streamlined our development process becomes.

ACTION

Philadelphia needs to establish a land bank and to create a more efficient, multitrack procedure for the acquiring and transferring of abandoned land that will deliver site control on a fast, predictable basis.

In order to increase transparency and investment opportunities, Philadelphia must redefine and streamline its land acquisition and disposition procedures. Many current procedures, such as requiring appraisals at three different stages of the process, create unnecessary delays in the disposition process. The city should create a system that accords current owners of abandoned property due process and that also provides site control to new, responsible owners with the resources and capacity to redevelop the land within a consistent time frame.

Philadelphia should establish and publicly distribute an inventory of all land currently owned by the city. Additional land should be regularly banked and added to this inventory, so that due process requirements can be met prior to a developer's request to build on the land, when possible. Once a clear, efficient process is devised, the city should widely distribute the steps and requirements and track the time frames for each step in the process annually.

COST: Unclear

Conclusion

Philadelphia has an exceptional opportunity to attract investment to the city and its housing stock. In the last decade, many of our peer cities have rewritten their Zoning Codes, remapped their neighborhoods, automated their permitting systems and transformed the culture of their development review agencies. Their reforms have allowed them to do the following:

- (1) lower their costs for regulating construction by up to 60 percent,
- (2) raise private investment by up to 400 percent,
- (3) increase tax revenue by up to \$150 million by bringing abandoned properties back onto the tax rolls,
- (4) create up to 40,000 new jobs, and
- (5) attract up to 250,000 new residents.

Philadelphia will become far more competitive if we can similarly modernize and streamline our code and regulatory processes.

Modernizing the Zoning Code and reforming the development review process to create faster turnarounds and predictable standards will help to overcome the reluctance of the majority of the region's building industry to invest in Philadelphia's housing market.

As a group, developers fear unpredictability more than anything else. Historically, Philadelphia has been an unpredictable place to do business because of the many critical points in the process when discretionary review or subjective interpretations of law can stop a project in its tracks. We ask the city of Philadelphia to adopt our ten recommendations to quickly transform a city unattractive to developers into a competitive environment that encourages new investment and positive growth.

If We Fix It, they will come!

Comparison of Zoning Reforms⁶⁴

	BALTIMORE	BOSTON	CHICAGO	CINCINNATI	DENVER	DETROIT	MILWAUKEE	MINNEAPOLIS	NEW YORK CITY	PITTSBURGH
	(2001–2004)	(1980 to present)	(2000 to present)	(2000–2003)	(2001 to present)	(1998 to present)	(1997–2002)	(1996–1999)	(1998 to present)	(1997 to present)
Reason for Zoning Code Reform	Needed to simplify development process	City began rewrite in response to 1980s building boom	Antiquated code inefficient; desire for user-friendly code	1963 ordinance and amendments became cumbersome	Code overly complicated; 67 zoning districts and 400 land uses created over 24,000 possible combinations	Code last written in 1968 with minor restructuring in 1984; previous reform attempts have failed	1920 Zoning Code last amended in 1984, complex and discouraging to development; current city buildings not permitted under code; reform needed to preserve neighborhood character	1963 Zoning Code out of date, didn't reflect market	Strong support for modernizing code to remove unpopular provisions from 1961	Antiquated code with outdated residential standards and industrial designations that were too rigid
Reform Process	Identified Zoning Code problems and proposed amendments; remapping process began in 2004; maps to be presented before the Planning Board, County Council and public before the County Council makes them official	Separate zoning created for each neighborhood; city conducts local meeting, then volunteers survey land uses; a planner assigned to the neighborhood recommends zoning and mapping changes and public and Redevelopment Authority review; Zoning Commission (appointed by mayor) makes final decisions	Rewrite being drafted by local consultant and team from the City; draft will go to Zoning Reform Committee, who will hold numerous public hearings, make changes, then pass it to the City Council for final approval	City remapped (with community input), each plat separately; consultants rewrote text with input from city staff; Planning Commission held public meetings to review incorporated changes and approve the text	Local consultants prepared a land-use list and chart of use allowances; staff worked with the City Attorney's office to customize the list and chart; "Zoning Code Working Team", which includes City Council, practitioners, citizens and land-use attorneys, acted as advisors to the effort	Outside consultants critiqued existing code, met with Planning Commission's Zoning Advisory Group to propose changes	Consultants evaluated existing code; rewrite process started in Planning Commission, was assessed by the Zoning Neighborhood and Development Committee and Council; and finally signed by the mayor; 80 percent of text changed, 26 chapters reduced to 10; city held meetings with aldermen to ensure support	First, established committees to amend portions of the code — this failed. Then created one zoning advisory committee. City staff proposed new policies, debated by zoning advisory committee, which also drafted parts of the code	Map is reviewed by community boards, then Planning Commission, and then subjected to public hearings. PC votes on it, then turns it over to City Council for review, public hearing, then vote. Process halted due to lack of support from Real Estate Board	City rewrote Zoning Code; groups from each of 88 neighborhoods worked with a planner to create remapping proposals. Volunteers conduct land-use surveys in their neighborhoods. Planning Commission reviews and recommends a final proposal to the City Council
Key Internal Players	Mayor O'Malley, Department of Planning, City Council	Mayor Menino, Boston Redevelopment Authority, Zoning Commission	Mayor Daley, Zoning Reform Commission, City Council	Mayor Luken, City Planning Commission	Mayor, City Council, Community Planning and Development	Mayor, City Planning Commission	Mayor Norquist, City of Milwaukee Development Center	Zoning Administration	City Council, Planning Commission	Zoning Office
Public Involvement/Information	Input re maps, info on website; created Citizen's Guide to Zoning	Held weekly meetings; surveyed land-use; held workshops	Metropolitan Planning Council (business and civic leadership group) is working extensively with communities to educate (via workshops) about zoning	Reviewed maps (little interest in text changes); mailings to community councils; postings in community centers	Frequent meetings (more involved with Comprehensive Plan than zoning rewrite), workshops, website		Very limited: website, letters sent, televised meetings	Public workshops and hearings, website, newsletter, notices in newspapers	Appointed Community Boards review remappings; public hearings	Three reviews during remapping process; final maps based on neighborhood proposals
Highlights	Open filing period allows petition for reclassification of any property in county	Creating community commercial districts; pedestrian-oriented districts; mixed single-family/apt. district	Did extensive research on precedents; used nonprofit consultants	Used performance zoning; encouraged cluster and mixed-use development	Moved from comprehensive plan to zoning rewrite to zoning remapping	Measurement and performance system monitors departmental services	Established task force of elected officials, community members and building industry oversaw process			Using local and national consultants
Successes and Failures	Increased building permit revenues from \$4,073,951 in FY99 to \$6,527,858 in FY02	Community input process lengthy — averages four years per neighborhood — but removes any opposition	Several prior efforts failed	Few complaints from the public and city staff, and developers were satisfied with reform outcome; Zoning Code text change faced little or no opposition	Positive feedback from development community so far	Still takes six to eight months for a site plan review	Zoning appeal time reduced from 12 to four weeks; ZBA hears fewer cases; lack of comprehensive plan made rezoning difficult; rewrite required considerable staff time	New code has not been immediately embraced by business or community	Process halted due to dispute over building height restrictions	Clear, strong definition of approach
External Consultants			Dyett & Bhattia, MetroPlanning Council	Dyett & Bhattia	Calthorpe	Clarion Assoc., Duncan Assoc.	Dyett & Bhattia			

Comparison of Development — Process Streamlining Efforts⁶⁵

	BALTIMORE	BOSTON	CHICAGO	CINCINNATI	DENVER	LOS ANGELES	MILWAUKEE	SAN DIEGO
Existing Conditions	Forty days for basic permits; redundant departmental responsibilities	No clear rules for development — ever-changing zoning and review standards; development review process used to control growth	Process “too bureaucratic and time-consuming,” especially for big, complex projects that require reviews from many departments; “Developers lose thousands of dollars for every day of delay; when that happens, the entire Chicago economy loses jobs and economic development.” —Mayor Daley	Obtaining permits required up to 473 different stops from initial application to issuance; had to shop projects to five different departments	Too much up-front detail and engineering required for review; lower-level staff decisions overturned by mgt.; inspectors overrule plan reviewers based on their interpretation of the codes, and to appeal inspector’s ruling takes up to six weeks; highly unpredictable wait times (six weeks to three months)	Two- to three-hour in-person wait time for visit; permit review takes average of six to ten weeks; four to five days for inspection	Multiple layers of bureaucracy can derail project; developers “treated like antagonists, not customers”; construction review process slow, complex and expensive	Regulatory maze, unconnected contact points; major reason for businesses leaving city or not relocating to San Diego
Streamlining Permits/Process	One-stop shop and fast-track permit process created; Internet system to check permit status and schedule inspections; zoning appeals filed and scheduled via phone, e-mail or fax; cut appeal time from five months to six weeks; mayor’s office is represented at team meetings for sizable projects; detailed guidebook details process	One-stop shop with fast-track program for residential projects; color-coded permits, caseworkers, expedited design review and expedited Board of Appeal hearings; track key indicators re turnaround time and customer needs	One-stop shop; online Permit Wizard prepares user for application process, including all forms and documentation for specific address; for certain permits, the user can complete the permitting process online	One-stop shop housed separately from City Hall opened 4/04, designed by all relevant departments and run by a single administrator; Ez-Trak process allows online application and status check for permits as well as inspection requests	Case manager assigned to each project; provide informal pre-submittal site plan review three weeks before submit formal plan, goal to receive approval or comments from all agencies within three weeks (case manager has no authority to enforce goal deadlines); provide incentives to developers for certain types of projects; can check permit status online	311 Call Center; four one-stop service centers where average wait time is ten minutes; customer service training to change staff approach from regulator to facilitator; ten-day average permit review; system for assigning inspections allows 99 percent to be completed within 24 hours of request; e-permit system to allow non-plan check permits via Internet; employee performance and workload indicators tracked	Development and Permit Center brings staff from various agencies to one location; case manager assigned to complex projects; pre-development roundtable; online tracking system allows staff and customer to see which approvals have been obtained and which are still needed	Single-Stop Permit Office—single entry point into system, info. stored on central network, one-time filing procedure; automated maps and data information; automated tracking system through permit progress; customer service teams handle regulatory issues together; project manager position acts as single point of contact
Departmental Restructuring	Created new positions: Chief of Permits, Director of Permits and Code Enforcement; Department of Housing and Community Development and The Housing Authority of Baltimore City consolidated into Dept. of Housing and Community Development	The Boston Redevelopment Authority guides large development, while the Inspectional Services Dept. handles permitting	Transferred permitting function from Department of Buildings to new Department of Construction and Permits	Created one-stop-shop Development Authority	To improve interdepartmental coordination, located most departments in one building (but not a one-stop shop)	Strong general manager created to monitor workload indicators and performance targets for all department functions	Development Center brings together staff from various agencies in one location	Centralized major functions of development process agencies; created the Development Services Business Center as a central authority; split Planning and Development Review into two departments
Highlights	Implemented Citistat review program, an accountability tool that holds managers responsible for their departments by measuring results every two weeks	State legislature passed Article 80, which guides large and small development and requires affordable units	Self-certification program allows design professionals to self-certify or obtain permits on a shortened schedule for certain categories of construction projects	Hired outside consultant to work with city staff to identify problems; active participation of depts. in creating the one-stop shop; Regulatory Oversight Committee as ongoing advisory board regarding regulatory impediments to development	City works with neighborhood inspectors to give certificates of occupancy off-site	24/7 Inspection Request System; redesigned five Construction Service Centers to include express permit counter for non-plan check permits; created sit-down counters and customer waiting areas with free use of phone, fax and computers	Solicited direct private-sector input; Internet users can obtain data about a property that includes ownership, property characteristics, assessed value and history of building code violations and inspections	Funded technology upgrades with five percent development fee surcharge
Successes and Failures	90 percent of permits issued in one day; 98 percent complex permits issued or rejected in 30 days; new facility creates a customer-friendly environment	City states that streamlining saves developers time and money	Allowing construction to commence without final reviews has aided permit backlog problem; policing of self-certification can be difficult	Streamlining too recent to see results	Denver is in process of reform; currently takes about five submittals at three weeks each to get through development review	Ten-day average wait time for permits; nine-minute wait for counter plan check; 99 percent of inspections performed within 24 hours; construction activity in city and permits issued increased by 84 percent with same staff	Streamlined process	Saved government \$10 million and customers \$3.5 million in its first four years; 65 percent of permit applicants found new system quicker; 67 percent said it was more predictable

Source Notes

- 1 Profit number is based upon the difference between fee revenue and the Licenses and Inspections budget excluding funding solely for demolition. Average number of \$11 million reflects average for the fiscal years from 1998 to 2004. Data was provided by Jerry Prospero, Licenses and Inspections, on August 31, 2004.
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- 41 Pennsylvania Municipalities Planning Code § 10605: "Where zoning districts are created, all provisions shall be uniform for each class of uses or structures, within each district." The code only permits additional classifications to be made within a district for the purpose of making transitional provisions, regulating nonconforming uses and regulating, restricting or prohibiting uses or structures near major thoroughfares, places of steep slopes, areas near natural or artificial bodies of water, facilities for aircraft landings, flood plain areas, and places having unique historical value.
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C R E D I T S :

Author:	Karen L. Black, May 8 Consulting
Managing Editors:	Sue McPhedran, The Reinvestment Fund, for the Building Industry Association of Philadelphia Bob Rosenthal, Westrum Development, for the Building Industry Association of Philadelphia
Research Associate:	Mathew Comfort, Graduate Student, Graduate School of Design, Harvard University
Research Intern:	Jonathan Hanus, Law Student, University of Pennsylvania
Design:	Maskar Design
Proofreading:	Janet Benton, Benton Editorial
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BUILDING INDUSTRY
ASSOCIATION OF PHILADELPHIA

Building Industry
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1735 Market Street
Box 432 Suite A
Philadelphia, PA 19103
215-427-9666

Website: <http://www.biaofphiladelphia.com>

