



CHAMBER
of
COMMERCE

Via Email Only

January 5, 2022

Honorable Mayor Robert Wunderlich & Beverly Hills City Council
Beverly Hills City Hall
455 N. Rexford Drive
Beverly Hills, CA 90210

Re: Proposed Beverly Hills Revocation Ordinance

Dear Mayor Wunderlich and Members of the Beverly Hills City Council:

The Beverly Hills Chamber writes to you regarding the proposed “Revocation Ordinance” which is due to be considered by this Council on January 18 and provides a process for development permits to be revoked.

The Chamber is fully supportive of measures designed to eliminate acts of intentional deception in the development process (or any other process). However, the Chamber has very serious concerns about this ordinance and its potential to undermine the important steps this Council has taken in recent years to build a vibrant business environment which in turns supports a strong community in general, including excellent services for residents. The Chamber will touch upon each of these concerns in turn:

- First, the City already has a thorough and at times quite lengthy process for vetting development projects. Projects are first taken through the plan check process to evaluate the project and ensure compliance with City requirements, a process that itself can take many months. Many projects then require an Environmental Impact Report, which involves further vetting of the project, and review before the City’s Planning Commission and sometimes the City Council itself. Last, once a project is approved and underway, an inspector can be called to take a look at any problems during construction and to issue a stop order if necessary. The Chamber believes this process is sufficiently thorough to identify any mistakes, shortcomings or other errors in a project and to correct them.

- During a recent call, the City staff could not identify a single development project that would have resulted in revocation if this proposed ordinance was in place. Therefore, there is no justification for this ordinance.
- The ordinance creates an expensive, time consuming and parallel process to undermine and tie up meritorious projects in what is effectively another form of litigation. As written, the ordinance contains a number of troublesome provisions:
 - It applies to any “inaccurate, substantially incomplete or erroneous information”, terms which are vaguely defined, impossible to interpret or enforce and do not establish a sufficiently high barrier to revocation of a permit, which is a drastic remedy. What does substantially incomplete mean? What amount of inaccurate information justifies revocation? If a fence line is supposed to be 6 feet, 2 inches and is instead 6 feet, 4 inches, is that grounds for revocation? What happens if multiple, sequential claims of inaccurate information are leveled against a project? Notably, there is no limit in the ordinance on the number of claims that can be made against a project. What happens if 100 different residents file 100 different claims? The above examples are just some of the perils inherent in opening up a channel for challenging every aspect of a project by someone with an ax to grind.
 - It is simply unfair to punish a project developer with revocation for a correctable mistake. At most, the ordinance should only apply to intentional acts of deception.
 - The ordinance as written and presented to the Sunshine Task Force only applies to residential dwellings. It is the Chamber’s understanding that the ordinance is now being expanded to cover commercial buildings as well. However, this language was never presented or vetted in the Task Force. The Chamber asks that any ordinance exclude commercial buildings from its reach.
 - While the language of the ordinance is not entirely clear, it appears that the mere filing of a request for revocation suspends a development permit until the issue is resolved by “the Ultimate Reviewing Authority.” This is too low a standard to suspend someone’s right to build a project. If any project can be halted at any point by a mere allegation, no one will want to bring projects to the City.
 - The ordinance includes a lengthy, multi-step process for filing claims and appealing them, a process that could potentially tie up projects in very time consuming and expensive proceedings over very minor claims of “inaccuracies.” The ordinance also involves the Director of Community Development in determining such things as whether a revocation request is “patently frivolous and without merit” a subjective test that could take up a significant amount of time. This process won’t just tie up the resources of a builder or developer; it will also tie up and drain precious City resources.
 - The ordinance contains a complicated provision for attorney’s fees and investigative costs for projects not heard by the “Ultimate Reviewing Authority” and arbitration if a resident disagrees with the outcome of a dispute regarding whether there is a violation. Again, this ordinance creates a nearly endless and

costly process for challenging projects and then continuing that challenge in multiple ways.

- Finally, this ordinance will undermine the excellent work the City Council has done in recent years to support a vibrant business community. For example, lowering parking requirements for restaurants, expanding rooftop dining and relaxing restrictions on medical office use have been smart measures to enhance our business community which in turns supports the continuing excellent City services for residents. All these actions send positive messages that top level companies should do business in Beverly Hills. However, this messaging will be undermined by an ordinance permitting endless contesting of projects.

In short, this ordinance would have a chilling effect on meritorious projects. No builder is going to be comfortable developing a project if they know the rug can be pulled from under them at any time because of the filing of a claim based on an alleged mistake they made. The Chamber asks that you oppose enactment of this ordinance as it is currently written.

A handwritten signature in black ink, appearing to read 'Todd Johnson', with a long horizontal flourish extending to the right.

Todd Johnson
President and CEO
Beverly Hills Chamber of Commerce