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201 NORTH FIGUEROA STREET  
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ANDREW A. ADELMAN, P.E.  
GENERAL MANAGER

RAYMOND CHAN  
EXECUTIVE OFFICER

June 4, 2007

The Honorable City Council  
City Hall, Room 375  
Los Angeles, CA 90012

**RE: USE OF THE CONSTRUCTION SERVICES TRUST FUND FOR HARD COSTS AND EQUIPMENT  
FOR BUILDING AND SAFETY CODE ENFORCEMENT ACTIVITIES (CF 07-0101)**

On January 16, 2007, the Planning and Land Use Management Committee instructed the Department of Building and Safety (LADBS) to report back within 30 days, relative to recommendations for amending the Los Angeles Administrative Code (LAAC), and applicable parts of the Los Angeles Municipal Code (LAMC), to allow expenditures from the City's Construction Services Trust Fund (CSTF) to be made for hard cost and equipment for code enforcement activities. After considering the matter, the Department intends to provide staff from the Code Enforcement Bureau at the Construction Service Centers (aka One Stop Permit Centers). The role of this staff, will not only meet the intent of Section 5.321 of the LAAC, but it will satisfy a current need to provide Code Enforcement related services at the public counters.

**Background**

The Code Enforcement Bureau investigates approximately 50,000 cases per year. Many of these cases involve the issuance of construction permits which in turn may require the processing of City Planning variances and Building and Safety appeals. The Code Enforcement inspectors are qualified Building Mechanical Inspectors or Specialty Inspectors that perform inspections and grant approvals on permits related to code enforcement activities.

**CF 07-0101 – Construction Services Trust Fund for LADBS Code Enforcement**  
**Page 2 of 3**

The Code Enforcement Bureau is also responsible for performing fee-supported yearly inspection of several types of businesses such as auto repair shops, auto dismantling yards, used car lots, recycling centers and storage of cargo containers. These inspections also require in many instances that permits, appeals and other related fees be paid in order to bring businesses into compliance.

The Code Enforcement Bureau does a considerable amount of public outreach and disseminates information to the public on codes and methods of compliance. These functions play a very important role in retaining the City's businesses and thereby enhancing the economic well being of the City.

These functions are not substantially different from other functions of the Department that deal with new construction. The Code Enforcement Bureau performs a role in assuring the overall effectiveness of the Department of Building and Safety in no less vital fashion than other branches of LADBS or other Departments that have historically benefited from the CSTF. To meet the demands for code enforcement services, the Department will provide comprehensive Code Enforcement service counters at each Construction Services Center which will include the following services:

- Assisting the public in obtaining permits needed for code compliance;
- Consulting with LADBS Engineers and other agencies on zoning and code compliance issues;
- Consulting with New Construction Inspectors on code enforcement issues related to active jobs;
- Processing Modifications of Codes and Extensions of Time;
- Explaining the code compliance process to the public and City staff

The Department has consulted with the City Attorney and the City Attorney agrees that the monies collected into the CSTF may be used for the Department's Code Enforcement services when provided at all Construction Services Centers and complies with Section 5.321 LAAC.

**Proposal**

The Department has reviewed the current surcharge for the CSTF and identified changes to the current ordinance to coincide with other updated ordinances as noted on the attached draft. These proposed changes to the ordinance are technical changes that do not change the categories of fees subject to this surcharge.

Therefore, it is important to note that these changes will not increase fees from the CSTF or any other fees under current ordinances.

**CF 07-0101 – Construction Services Trust Fund for LADBS Code Enforcement**  
**Page 3 of 3**

The Department also proposes to staff the Construction Services Centers with employees who will assist the public with code enforcement issues. The Department will use existing code enforcement staff and there will be no additional staff requested from the General Fund for this purpose. Any necessary alterations, furniture, equipment, and communication devices for any of the Construction Service Centers to accommodate this staff, will be paid for by the CSTF once approved by the Construction Services Committee.

**Recommendations**

That the Council, subject to the approval of the Mayor:

1. Refer the Department's proposed amendments to Section 98.0410 LAMC to the City Attorney's Office and direct the City Attorney to prepare the attached draft ordinance and present the proposed Ordinance to the City Council; and,
2. Note that the Department will provide staffing for code enforcement services at the City's Construction Services Centers; and,
3. Note that any building alterations, furniture, equipment, and communication devices deemed necessary by LADBS to accommodate code enforcement staff at any of the Construction Service Centers, shall be paid for by the Construction Services Trust Fund subject to the approval of the Construction Services Committee under the provisions of Section 5.321 LAAC.

  
ANDREW A. ADELMAN, P.E.  
General Manager

Attachments: Proposed Ordinance Amendments to Sec. 98.0410 LAMC  
Reference to Section 5.321 LAAC

AAA/dll

**ORDINANCE NO. \_\_\_\_\_**

An ordinance amending Section 98.0410 of the Los Angeles Municipal Code.

**THE PEOPLE OF THE CITY OF LOS ANGELES  
DO ORDAIN AS FOLLOWS:**

Section 1. Section 98.0410 of the Los Angeles Municipal Code is amended to read:

**SEC. 98.0410. SURCHARGE FOR ONE-STOP PERMIT CENTER.**

There shall be added to the total of all fees imposed for any permit, plan check, license, application, **report and inspection** provided for in Articles 1 through 8 of this chapter **excluding Sections 91.107.4.4, 91.107.4.6, 91.6205.18, 98.0402, 98.0410, 98.0411, 98.0416, 98.0418, and 98.0716** of this Code a surcharge in an amount equal to the greater of two percent (2%) of the fees or one dollar (\$1.00).

Sec. 4. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that this ordinance was passed by the Council of the City of Los Angeles, at its meeting of \_\_\_\_\_.

FRANK T. MARTINEZ, City Clerk

By \_\_\_\_\_  
Deputy

Approved \_\_\_\_\_

\_\_\_\_\_  
Mayor

Approved as to Form and Legality

ROCKARD J. DELGADILLO, City Attorney

By \_\_\_\_\_

City Attorney

Date \_\_\_\_\_

File No. CF No. 07-0101

## **CHAPTER 16**

### **CONSTRUCTION SERVICES TRUST FUND**

#### Section

#### 5.321 Creation and Administration of the Fund.

##### **Sec. 5.321. Creation and Administration of the Fund.**

- (a) There is hereby created and established in the Treasury of the City of Los Angeles a special trust fund to be known as the “**Construction Services Trust Fund**”, hereinafter referred to in this chapter as the “**Fund**”.
- (b) All amounts received from charges pursuant to Sections 19.08, 68.12 and 98.0410 of the Los Angeles Municipal Code shall be placed in the Fund. Funds from any appropriation to the Fund approved by the Council and Mayor shall be placed in the Fund.
- (c) Expenditures from the Fund shall be made for the design, construction and equipping of the City’s Constituent Construction Service Centers and their functional support services, as well as any incidental expenses associated with said projects such as the non-recurring expenses for the equipping of temporary quarters to house employees displaced during the construction period and repaying advances from any other fund. Funds shall not be used for reimbursement of administrative costs. Unencumbered funds remaining in the Fund will not revert to the Reserve Fund at the end of a fiscal year.
- (d) The Mayor is authorized to make transfers among accounts that may be established within the Fund in an amount not to exceed \$50,000 per transfer, provided, however, that each such transfer first receives the concurrence of a majority vote of the Construction Services Committee.
- (e) The Bureau of Accounting of the Department of Public Works shall be responsible for maintaining the accounting records relating to the Fund and shall prepare monthly reports on the status of the Fund.
- (f) The Director of the Office of Administrative and Research Services is authorized to establish appropriate procedures to carry out the provisions of this chapter.
- (g) All initial allocations and expenditures from the Fund shall first be submitted to the Construction Services Committee for its review and recommendation. Any recommendation by the Construction Services Committee to deny an allocation or expenditure shall be controlling unless overridden by the Council by a minimum of ten (10) votes.

## SECTION HISTORY

Added by Ord. No. 157,384, Eff. 2-24-83.

Amended by: Subsec. (g) Added by Ord. No. 166,518, Eff. 1-24-91; Chapter and Section, Ord. 172,189, 10-5-98; Ord. No. 173,305, Eff. 6-30-00, Oper. 7-1-00.