

REPORT FROM

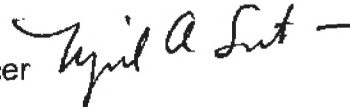
OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: February 24, 2016

CAO File No. 0220-04851-0008
Council District: All
Council File No. 13-0046 & 15-0316

To: The Mayor
The Council

From: Miguel A. Santana, City Administrative Officer



Reference: Council report back under Council File No. 13-0046 and 15-0316

Subject: **DEVELOPMENT SERVICES REFORM INITIATIVE – CONSTRUCTION SERVICES TRUST FUND**

SUMMARY

On April 13, 2015, the Council adopted a Planning and Land Use Management Committee (PLUM) Report (C.F. 15-0316) requesting the Office of the City Attorney to draft an ordinance to effectuate the recommended increase to the One-Stop Permit Center Surcharge (Surcharge) from two percent to three percent to fund BuildLA. On February 1, 2016, the Office of the City Attorney (City Attorney) transmitted a draft ordinance to amend the Los Angeles Administrative Code (Administrative Code) Section 5.321 and Los Angeles Municipal Code (LAMC) Sections 11.12, 19.08, 19.09, 61.03, 61.16 and 98.0410; delete LAMC Section 68.12; and add LAMC Sections 57.118.4 and 61.17 to: (1) rename the Construction Services Trust Fund (Fund) and update trust fund procedures; (2) rename and update the two percent Surcharge on development service fees; (3) establish the Surcharge on Fire Department development service fees; (4) increase the two percent Surcharge to three percent to fund the implementation of BuildLA; (5) relocate LAMC Section 68.12 to a new Section 61.17; and (6) return the Surcharge to two percent when our Office determines the Surcharge increase has recovered the \$21.76 million cost of BuildLA. Our Office recommends adoption of the draft ordinance which is consistent with the conclusions and recommendations adopted by the Council on April 13, 2015, as well as, consistent with the conclusions and recommendations included in the City's Development Reform Initiative (C.F. 13-0046) Analysis of the Opportunities to Improve Development Services Report dated February 20, 2014.

BUILDLA

BuildLA is a web-enabled technology platform that will be used by multiple City departments to receive, assign, review, process, manage, and track all customer requests for services relating to the use and development of land. As envisioned, the BuildLA system will include an interactive customer web portal, a workflow management platform, electronic plan review capabilities, a supporting database, and integration or data sharing with several existing City systems. BuildLA will establish a virtual Development Services Center and create a more efficient, transparent, and predictable development system based on leading-edge technology.

Additionally, BuildLA will improve the efficiency, transparency, and predictability of the City's development review process by implementing an enterprise-wide system to streamline and enable the development review process with leading-edge technology. BuildLA will:

- Improve customer service by providing web-based services, including application submittal and plan review; allowing applicants easy, online access to project status and timelines; and making services more accessible;
- Improve operational efficiency by streamlining and automating inter- and intra-departmental processes, eliminating redundancies, and providing performance measurement capabilities for more active management of case processing functions;
- Increase transparency by providing real-time information to customers and stakeholders about the status of service requests – who has a case, what actions have been taken, and when the project is expected to be completed; and,
- Reduce costs by consolidating hardware costs, software license fees, application development, and maintenance costs across all involved departments.

RECOMMENDATION

That the Council, subject to the approval of the Mayor, adopt the City Attorney's proposed ordinance to amend the Los Angeles Administrative Code (Administrative Code) Section 5.321 and Los Angeles Municipal Code (LAMC) Sections 11.12, 19.08, 19.09, 61.03, 61.16 and 98.0410; delete LAMC Section 68.12; and add LAMC Sections 57.118.4 and 61.17 to: (1) rename the Construction Services Trust Fund (Fund) and update trust fund procedures; (2) rename and update the two percent Surcharge on development service fees; (3) establish the Surcharge on Fire Department development service fees; (4) increase the two percent Surcharge to three percent to fund the implementation of BuildLA; (5) relocate LAMC Section 68.12 to a new Section 61.17; and (6) return the Surcharge to two percent when the City Administrative Officer determines the Surcharge increase has recovered the \$21.76 million cost of BuildLA.

FISCAL IMPACT STATEMENT

There is no General Fund impact. BuildLA will be fully funded by the temporary one percent increase to the One-Stop Permit Center Surcharge and deposited into the Development Services Trust Fund, formerly the Construction Services Trust Fund, (Fund No. 438) which will have sufficient funds to finance this eligible expense if the ordinance is adopted. The temporary surcharge increase, set at full cost recovery, will be deposited into Fund No. 438. This recommendation is consistent with the City's Financial Policies as one-time expenditures will be fully supported by one-time revenues.