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April 23, 2024

Honorable Members of the City Council
Budget, Finance and Innovation Committee
c/o Office of the City Clerk
City Hall, Room 395
Los Angeles, CA 90012

Attn: Luigi Verano, Legislative Assistant

**THE LOS ANGELES DEPARTMENT OF BUILDING AND SAFETY'S COMMENTS RELATIVE
TO THE FISCAL YEAR 2024-25 PROPOSED BUDGET**

Honorable Councilmembers:

The Los Angeles Department of Building and Safety (LADBS) appreciates the Mayor's support as demonstrated in the Fiscal Year (FY) 2024-25 Proposed Budget. In accordance with the direction from Honorable Councilmember Bob Blumenfeld, Chair of the Budget, Finance and Innovation Committee, in the letter to Heads of All Departments dated April 12, 2024, LADBS respectfully transmits this response regarding the Proposed Budget.

LADBS provides essential services for permitting, plan check, inspection, and code enforcement in the interest of protecting the safety and enhancing the quality of life of City residents while supporting the construction industry. These services are vital to the development of housing citywide. In response to Executive Directive (ED) 1 and ED 7, LADBS has streamlined and expedited the review of plans for affordable housing projects. In addition, in response to ED 4, LADBS has streamlined processes to support restaurants and small businesses. Over 90 percent of LADBS funding comprises the Building and Safety Building Permit Enterprise Fund (Enterprise Fund) and other special funds, with the remainder from the General Fund. The vast majority of LADBS operations generate revenue from fees and charges for development-related functions and certain code enforcement functions.

OBJECTIVES FOR FY 2024-25

LADBS identified the following most important objectives to be achieved in FY 2024-25 with the allocation provided in the Proposed Budget:

1. *Implementing Strategies to End Homelessness and Expand Housing Access.*

The Proposed Budget includes seventeen new positions for the Zoning Review Section. The new positions are required to provide staff dedicated to the review of Zoning Code requirements at all of the City's Development Services Centers. The Zoning Review Section allows for the separation of Zoning Code and Building Code review for plan check, which expedites the review process for affordable housing and homeless shelter projects as well as other commercial and residential building projects. The Proposed Budget also includes five new positions for the LADBS Inspection Bureau Commercial Section to expedite permits and clearances for affordable housing projects, in accordance with the Mayor's ED 1. These new positions presented in the FY 2024-25 budget will allow LADBS to expedite the inspection of affordable housing projects while maintaining current goals for service levels for other building projects, including a two-day wait time for inspection.

2. *Improving Access to Housing through High Rise and Non-Ductile Concrete Review.*

The Proposed Budget includes one Senior Structural Engineer who will conduct, plan and oversee the complex reviews of plans related to adaptive reuse. The conversion of commercial buildings, especially high-rises, requires extensive engineering expertise and knowledge of the Building Code, which will be provided by this position. By providing a framework and the necessary expertise to review and approve plans for conversion of commercial buildings to residential use, LADBS will be able to support the cost-effective development of new housing in support of the Mayor's ED 7, while ensuring safety through compliance with building codes and standards.

3. *Providing Outstanding Services for Residents and Businesses.*

The Proposed Budget includes the necessary resources for LADBS to begin implementing the new LA City Permitting System. This system will replace all current LADBS permitting, inspection, licensing, and code enforcement systems, and provide a modern platform for LADBS to provide its services to the public and facilitate interoperability across department functions. The system will be developed and launched in usable incremental phases with completion expected within four years. Once implemented, the capabilities of the system will be made available to other City departments to use, with the vision of having single unified citywide permitting system.

4. *Supporting Restaurants and Small Businesses.*

The Proposed Budget includes two Building Inspectors to facilitate the permit approval process for the Restaurant and Small Business Express Program (RSBEP). The requested positions will be dedicated to provide inspections for small businesses, as part of RSBEP, eliminating barriers to the creation of small businesses as mandated by the Mayor's ED 4.

5. *Advancing Environmental Justice, Sustainability and Climate Change Mitigations.*

LADBS continues work on the implementation of building decarbonization strategies for new buildings (Council File 21-1463). LADBS is diligently working on developing a building decarbonization policy and proposing updates to the City's Building Code to require existing residential and commercial buildings to be more energy efficient.

To reduce waste, LADBS updated its procurement process to support the City's Zero Waste Goal and is working to evaluate the baselines established in 2019 to measure the progress made since the Department adopted a remote work policy. LADBS continues to implement a procurement policy that prefers the purchase of recycled and zero waste products.

In FY 2024-25, LADBS will continue to provide customers the ability to obtain Solar Photovoltaic (PV) permits online for residential systems up to 38.4 kilowatts including storage, through its enhanced Solar E-Permit system. The Solar E-Permit system allows customers to obtain solar permits expeditiously online without a plan review process which in turn allowed LADBS to waive the plan review fee thus reducing the soft costs of solar PV systems.

PROPOSED DELETIONS IN THE FY 2024-25 PROPOSED BUDGET

LADBS fully supports the Mayor's proposed FY 2024-25 budget. LADBS understands the fiscal challenges that the City will face in the upcoming fiscal year and the need to find efficiencies to reduce obligations to the General Fund. The Department looks forward to collaborating with the Mayor and Council, through the budget process, to find effective ways to reduce the Department's impact on the General Fund, while maintaining vital services. The Mayor's proposed budget for LADBS includes deletion of the following position authorities to help reduce General Fund obligations:

- *General Administration and Support.*

Two Accountants, one Accounting Clerk, one Administrative Clerk, one Building Civil Engineer I and one Secretary. These positions are 95% funded by the Building and Safety Permit Enterprise Fund (48R) and support revenue generating programs for the Department.

The Accountant and Accounting Clerk positions provide financial oversight, and operate the Department's public facing cashier functions responsible for the collection of fees. These positions generate revenue not only for LADBS but other Development Services departments.

The Administrative Clerk provides support to the Department's efforts to digitize permits and other building records, to ensure that the Department's important records are available electronically to the public, as well as Department staff, who require the records for plan review, permitting and other functions.

The Building Civil Engineer I position provides support for the Department's Development Services Case Management (DSCM) Section which facilitates development projects, including affordable housing, by providing special guidance and assistance with code related design questions, as well as coordinating engagement with other Development Services Departments.

These positions are 95% funded by Fund 48R. Deleting these positions will result in a General Fund savings of \$21,733. These positions, however, contribute \$272,455 to the General Fund in reimbursements for related costs. LADBS requests that these deletions be reconsidered to prevent further impacts to the General Fund as the result of reduced reimbursements for related costs, as well as services to Development Services Departments.

- *Conservation of Existing Structures and Mechanical Devices.*

One Administrative Clerk and one Building Mechanical Inspector. These positions are funded 45.65% by the General Fund and 54.35% by special funds. The positions support revenue generating, fee supported programs, including: the Annual Inspection Monitoring Program (AIM), which administers annual inspections of all auto repair facilities, auto dismantling yards, junk yards, scrap metal processing plants, used car lots, cargo containers, storage yards, and recycling centers to ensure compliance with building and land use ordinances; and, the Off-Site Signs Inspection Program (OSSPIP) which handles complaints regarding unapproved signs and inspection of new off-site signs.

- *Residential and Commercial Code Enforcement.*

Two Administrative Clerks, six Building Mechanical Inspectors, and one Management Analyst for the Residential and Commercial Code Enforcement budget program. Two Building Mechanical Inspectors, and one Management Analyst are fully funded by the General Fund. The remaining six positions are primarily funded by special funds (54.35%).

These positions handle complaints regarding various City and State codes, including California Health and Safety Code Sections 17960-17967, the Los Angeles Building Code, Electrical Code, Plumbing Code, and Zoning Codes related to unapproved construction, zoning violations, and nuisance properties, through complaint-based inspections. Eliminating these positions will have an impact on the Department's response time and number of inspections performed. With fewer position authorities available to conduct complaint-based inspections, LADBS' response to complaints will need to be prioritized to focus on enforcement efforts related to life safety issues and visual blight.

REPURPOSING POSITIONS TO FILL CRITICAL NEEDS

LADBS prioritizes hiring to fill its most critical positions, including positions responsible for issuing permits, reviewing and approving plans and conducting inspections for Affordable Housing Projects in accordance with the Mayor's ED 1 and ED 7. In cases where the Department is not able fill these positions due to a lack of eligible candidates, LADBS will fill the positions with qualified staff from other divisions of the Department.

In addition to prioritizing hiring to fill its most critical positions, LADBS uses 120-day contractors, on an as-needed basis, to fill gaps in services caused by positions that are vacated due to attrition, or retirements.

FOCUS ON EQUITY FOR FY 2024-25 BUDGET PROGRAM REQUEST

In an effort to institutionalize equity principals and expand opportunities for Angelenos, LADBS continues to utilize the City's Targeted Local Hire Program (TLHP) and the Bridge to Jobs (BRIDGE) program to fill positions approved in the Budget. LADBS has a Racial Equity Task Force which meets to discuss and develop strategies to hire or promote from a robust pool of candidates that closely represent the diverse makeup of the City. To support the Department's equity goals, LADBS recruited for various engineering associate classifications at various special events including the Black Engineer of the Year (BEYA) STEM Conference, the Structural Engineers Associate of California (SEAOC) 1st Annual Statewide Virtual Career Fair, and the Society of Women Engineers Virtual Career Fair for Professional Hires, Women of Color STEM conference.

To support the City's need for housing, including affordable housing, the proposed budget includes programs that streamline and expedite the City's permitting process. These programs include: 1) The Affordable Housing Section, established in 2020; 2) An Expanded Zoning Review Section first launched in 2023 with a focus on affordable housing projects and expanded in FY 2024-25 to include zoning code review for all properties; 3) The Housing Streamlined Approval Process which allows for early plan check submittals for qualifying housing projects; and, 4)

Inspection Case Management services for ED 1 projects. By streamlining and expediting the City's permitting process, these programs will increase housing and improve equitable access to the City's housing stock.

We look forward to discussing the budget and related matters with the Budget, Finance and Innovation Committee. Questions may be directed to me at (213) 482-6800 or to Ana Mae Yutan, Assistant General Manager and LADBS Resource Management Bureau Chief, at (213) 482-6703.



Osama Younan, P.E.
General Manager

cc: Carolyn Webb de Macias, Chief of Staff, Mayor's Office
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