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April 23, 2012

Budget and Finance Committee  
c/o Erika Pulst  
Legislative Assistant I  
City Clerk, Room 395 City Hall  
Los Angeles, CA 90012

**THE DEPARTMENT OF BUILDING AND SAFETY'S (LADBS') RESPONSE TO THE  
BUDGET AND FINANCE COMMITTEE'S REQUEST FOR WRITTEN COMMENTS  
REGARDING THE PROPOSED FY 2012-13 BUDGET**

In accordance with the direction from Honorable Councilmember Paul Krekorian, Chair of Budget and Finance Committee, in his letters to Heads of All Departments et al, dated April 19, 2012 and March 27, 2012, the Department of Building and Safety (LADBS) respectfully transmits this response regarding its review of the FY 2012-13 Proposed Budget.

**LADBS supports the Mayor's proposed budget.**

The good news for the City is that for the past two years, construction activities have increased by approximately 9.5% in construction valuation (from \$3.02 billion in FY 2009-10 to an estimated \$3.31 billion in FY 2011-12). Based on the projects currently in the construction pipeline and those that will be starting during FY 2012-13, we believe that a new construction cycle has begun. However, due to the current staffing levels and the Managed Hiring process, we're not able to provide adequate resources rapidly enough to reduce backlogs to manageable levels. For example, Engineering has a backlog of 27 business days before a plan is assigned to an engineer to begin plan review. Frustrated customers continually indicate that they need faster services to avoid costly delays, especially since they have already paid for them. Our backlogs result in potential public safety issues and a slower economic recovery for the City:

- Construction goes unpermitted and uninspected as many residents give up trying to obtain permits.
- Projects are delayed or abandoned resulting in a loss of jobs, sales and property taxes, and other much needed revenues.

The Department is appreciative that the Mayor approved our requests for revenue-generating new construction positions in his proposed FY 2012-13 budget. This will go a long way in reducing backlogs and providing better and faster customer services.

LADBS requests that positions fully funded by the LADBS Enterprise Fund be exempt from the Managed Hiring process. Engineering and inspection classifications require extensive training before new employees become productive which exacerbates the problems outlined above related to public safety and backlogs. This exemption would help immensely in improving the speed at which we can deliver of our services.

The Department is working with the Chief Administrative Office (CAO) on a few budgetary adjustments which include the following:

- A \$97,033 shift in General Fund expenses (\$93,292 salaries and \$3,741 transportation) and a corresponding revenue offset. Also, an adjustment in Enterprise Fund Reimbursements to the General Fund is needed for the change in salaries.
- A re-evaluation of calculating special fund overhead costs which may result in a change to General Fund receipts.
- A \$21,700 increase in overtime allocation for the continuing required off-hour inspection of Sunshine Canyon Landfill. This overtime is reimbursed by Sunshine Canyon Landfill and is part of the revenue attributed to the Local Enforcement Agency within LADBS.
- In addition to the CAO, LADBS is working with the Office of Finance and Controller on computing and assigning the appropriate bank fee charges for customers sent from a variety of agencies to pay for services at LADBS cashiering stations.

The Department continues to be mindful of the fiscal challenges the City is facing; therefore, we did not submit any requests for General Fund resources. The decision not to request General Fund resources is not to say that we are not facing issues with providing General Fund services with limited staff like the rest of the City departments. The City's only non-multi-family Code Enforcement (CE) function falls within LADBS and is by far the Department's largest General Fund function. It includes responding to complaints of visual blight, illegal occupancy and use, and a general deterioration of neighborhoods and towns. Our backlog in the number of unresolved complaints (cases) has increased by 47% (to 10,685 cases) and time to respond has increased by 328% (to 23 business days). We ask for patience and understanding from you, other policy makers, and the people we serve of this ever-increasing backlog of CE cases.

Please let me know if LADBS or I can be of any assistance or provide additional information. I can be reached at (213) 482-6800.



ROBERT R. "BUD" OVROM  
General Manager

C: Neil Guglielmo, Budget Director, Office of Mayor Villaraigosa  
Matt Karatz, Deputy Mayor  
Miguel Santana, City Administrative Officer