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April 23, 2019

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

Attn: Richard Williams, Legislative Assistant II

**DEPARTMENT OF BUILDING AND SAFETY'S COMMENTS ON THE MAYOR'S FY 2019-20
PROPOSED BUDGET**

Honorable Councilmembers:

In accordance with the direction from Honorable Councilmember Paul Krekorian, Chair of Budget and Finance Committee, in his letter to Heads of All Departments et al, dated March 21, 2019, the Los Angeles Department of Building and Safety (LADBS) respectfully transmits this response regarding its review of the FY 2019-20 Proposed Budget.

LADBS appreciates the support of the Mayor and his Budget Team in the FY 2019-20 Proposed Budget. This response includes requests to restore and add additional resources to allow the Department to meet current service level goals, further improve services provided by the Department, and enhance coordination with other City departments and offices. These requests include: restoration of two (2) positions to continue to meet the need for inspections of new construction signs (one Administrative Clerk [AC] and one (1) Building Mechanical Inspector [BMI]); three (3) positions to address sustained workload increases and employee attrition issues impacting the Structural Plan Check (SPC) Division (one Structural Engineering Associate [SEA] II, one SEA III, and one SEA IV); one (1) position to assist in the development and programming stages of the BuildLA website (one Graphic Designer [GD] II); and one (1) position to provide administrative support to the Technology Services Bureau (TSB) (one Management Analyst [MA]).

The Department is funded primarily by the LADBS Building Permit Enterprise Fund (new construction functions) and the General Fund (primarily code enforcement functions). LADBS Enterprise Fund construction activity has increased by approximately 60% in construction valuation over the past five fiscal years (from \$5.3 billion in FY 2013-14 to \$8.5 billion in FY 2017-18). The LADBS positions proposed in the Mayor's Proposed Budget together with the additional

request in this response support the Mayor's Back-to-Basics Budget Priorities and will enable us to maintain the high customer service levels we have worked hard to establish.

NEW CONSTRUCTION SIGNS INSPECTION

LADBS requests to restore resolution authority and funding for one (1) AC and one (1) BMI to support the Signs Inspection Section. The Department requested and received the AC and BMI positions in the Mayor's FY 2014-15 Proposed Budget to meet the need for inspection of new construction signs throughout the City of Los Angeles (City), and the positions were continued in four subsequent budgets. In the FY 2019-20 Proposed Budget, LADBS requested to have the positions regularized due to the sustained workload. Instead, the positions were deleted from the budget.

The BMI position will continue to inspect newly constructed signs, and the AC will continue to assist with administrative tasks such as billing in order to maximize the amount of time the BMI is in the field. The number of New Sign Construction inspections continues to remain at a high level in FY 2017-18 and is estimated to maintain this level for FY 2018-19 and FY 2019-20 (see below table).

Actual and Estimated Workload	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Estimate	FY 2019-20 Proposed
Number of New Sign Construction Inspections	3,795	2,837	3,898	3,782	3,706

The requested AC and BMI positions are pivotal in ensuring newly constructed signs are properly inspected in a timely manner. Failure to restore these positions will result in delays on new construction projects and increased project costs, creating a potential loss in revenue. Deleting the AC and BMI will reduce the total staff in the Signs Inspection Section by 67%, leaving only one (1) BMI to perform all services required in this Section. The one (1) remaining BMI will not be able to manage the sustained high workload of 3,700+ new construction sign inspections and perform the administrative tasks required for this section. This reduction will result in a large number of new construction signs going uninspected, leaving the City with a significant backlog to carry forward each year. These positions provide revenue generating services, are 100% fee supported, and will have no impact on the General Fund.

STRUCTURAL PLAN CHECK

LADBS requests resolution authority and funding for one (1) SEA II, one (1) SEA III, and one (1) SEA IV to support the SPC Division. Adding these three (3) positions is crucial in order for the Department to once again reach and maintain the goal of completing 85% of building plan check jobs in 15 days while still providing high quality plan check services.

The SEAs will help address sustained increased workload and employee attrition issues negatively impacting the SPC Division. These positions will provide support for the unexpected workload increases as a result of the following: Comprehensive Homelessness Strategy recommending increased development of low income housing and accessory dwelling units (ADU); state regulatory changes (SB 229 and AB 494) creating more flexibility for homeowners to build ADUs; and deadlines for linkage fees being applied to new construction to help fund more affordable housing projects.

Without the three (3) SEA positions, LADBS will not be able to achieve the Department's goal of completing 85% of building plan check jobs in 15 days, and could reduce performance to as low as 71%. The reduction in service levels will result in increased costs and a potential loss in revenue for projects due to delays in plan checking services. Based on LADBS' FY 2018-19 Proposed Budget, the number of building plan check jobs filed was estimated to decrease by 3% from 50,443 in FY 2016-17 to 49,000 in FY 2017-18. Due to the unanticipated workload increases described above, the actual number of building plan check jobs filed in FY 2017-18 was 54,861, a 9% increase from FY 2016-17.

The requested SEA positions are also critical in providing staff training in order to mitigate the lack of well-trained staff due to attrition. The SPC Division has seen 23% of all SEAs leave LADBS from January 2016 to June 2018. The unanticipated increase in workload and lack of trained staff combined with the reduction of these three (3) positions will cause the Department to fall short of maintaining the goal of completing 85% of building plan check jobs in 15 days. These positions provide revenue generating services, are 100% fee supported, and will have no impact on the General Fund.

APPLICATIONS SUPPORT

LADBS requests resolution authority and funding for one (1) GD II to assist in the development and programming stages of the BuildLA website and new applications, as well as assist in improving the LADBS website. Adding this position is important due to the unique skillset required in order to provide experienced recommendations and suggestions to TSB staff and help prevent delays in the implementation of BuildLA.

The unique skillset of a GD II is essential to create an intuitive and attractive user interface for new LADBS applications. Failure to provide funding and authority for the GD II will leave the Department with no technical assistance to mitigate any potential issues and make informed decisions based on the user experience and feedback as they navigate the BuildLA and LADBS websites. The GD II will also assist in logo creation, color usage, and web form implementation.

As of March 2019, the Department received 4.9 million page views for online building records. The requested GD II position is necessary to provide a strong user experience through the creation of intensive and attractive user interfaces, and to prevent delays in the implementation of BuildLA. This position supports revenue generating services, is 100% funded by the Enterprise Fund, and will have no impact on the General Fund.

ADMINISTRATIVE SUPPORT

LADBS requests resolution authority and funding for one (1) MA to support administrative functions in TSB. Adding this position is important to provide assistance on administrative functions that clerical staff are not qualified to provide due to the necessary skillsets, resources, and tools required to sufficiently assist bureau management.

The MA's professional skillset includes, but is not limited to: researching, assembling, analyzing, interpreting data, and preparing correspondences and reports with recommendations to Bureau management on a wide-variety of administrative, fiscal, budgetary, personnel, and managerial issues. The MA will monitor information technology projects and staff (approximately 40-50

projects are active at any given time), monitor the Systems Development Budget, create and modify business processes, document workflow and standard operation procedures, conduct trainings for new software implementation, and submit requests for TSB's procurement and contract related tasks.

The requested MA position is necessary to support TSB, and assist TSB management in properly monitoring and implementing controls within TSB. This position supports revenue generating services, is 100% funded by the Enterprise Fund, and will have no impact on the General Fund.

We look forward to discussing the budget and related matters with the Committee. If LADBS or I can be of assistance or provide additional information ahead of our hearing, I can be reached at (213) 482-6800. Additional details may also be provided by Steve Ongele, Assistant General Manager and Chief of LADBS' Resource Management Bureau, at (213) 482-6703.



Frank M. Bush
General Manager

cc: Ana Guerrero, Chief of Staff, Mayor's Office
Miguel Sangalang, Deputy Mayor of Budget and Innovation
William Chun, Deputy Mayor of Economic Development
Sharon Tso, Chief Legislative Analyst
Richard H. Llewellyn, Jr., City Administrative Officer

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