

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: December 3, 2013

CAO File No. 0160-01564-0000

Council File No. 13-0971

Council District: ALL

To: Council

From: Miguel A. Santana, City Administrative Officer

Reference: Motion (Buscaino-Cedillo) to eliminate fees associated with sidewalk repair and construction undertaken by adjoining property owners.

Subject: **NO FEE A-PERMITS FOR SIDEWALK REPAIR FOR ADJOINING PROPERTY OWNERS**

SUMMARY

Your Committee requested this Office to report back on the economic impact of establishing a no-fee A-Permit for sidewalk repairs that are completed by the adjoining property owner.

Through the A-Permit process the City is able to ensure that minor street construction meets the City's design and materials specifications and that construction work is properly inspected. A-Permit fees are charged by the Department of Public Works, Bureaus of Engineering and Contract Administration for permits allowing for minor street construction in the public right of way such as:

- Minor sidewalk repair;
- Driveway installation and repair;
- Curb and gutter repair;
- Installation of streetscape fixtures and street tree wells;
- Installation of curb drains; and,
- Street repairs for minor excavations in or near the street.

Residential Sidewalk Repair Pilot Program

In May 2004, Councilmember Tony Cardenas put forward a Motion to institute a pilot program in which a no-fee A-permit was allowed for residential property owners who elect to repair or reconstruct sidewalks in front of their homes (CF 04-0999). Repair for damage caused by forces beyond the property owner's control, such as earthquakes and roots from trees located in the public right-of-way, already received a no-fee A-Permit.

On August 18, 2004, the Board of Public Works adopted a pilot program to issue no-fee A-Permits to all residential home owners repairing sidewalks regardless of the reason, and instructed the Bureau of Engineering to report back in six months on the status of the pilot program. There was no sunset date for the pilot program. Therefore, this pilot program is still in effect. In order to continue this pilot program's no-fee A-Permits, an ordinance must be created and adopted by the Council.

The table below provides the lost revenue from issuance of no-fee A-Permits for sidewalk repair by residential property owners for Fiscal Years 2011-12 and 2012-13.

A-Permits: Residential Sidewalk Repair	FY 2011-12	FY 2012-13
Total Number of A-Permits (sidewalk repair)	426	431
Total Amount of Sidewalk Repaired (sq. ft.)	59,176	64,219
BOE Fees	\$117,130	\$117,660
BOE Fees Waived ¹	\$ 77,115	\$ 73,935
BCA Fees	\$ 50,300	\$ 54,586
BCA Fees Waived ¹	\$ 38,070	\$ 40,336
Total Sidewalk Repair Fees	\$167,430	\$172,246
Total Sidewalk Repair Fees Waived	\$115,185	\$114,271

BOE: Bureau of Engineering
 BCA: Bureau of Contract Administration
 1. Fees waived for repair & construction of sidewalks only

Revenue from A-Permits for Sidewalk Repair

The Bureau of Engineering reports that total revenue collected from A-permits for sidewalk repair totaled \$52,245 for FY 2011-12 and \$57,975 for FY 2012-13. This revenue was collected from property owners, other than residential property owners, such as commercial, industrial and governmental customers who elected to perform sidewalk repair or reconstruction. The total A-Permit revenue collected for sidewalk repair and reconstruction was calculated by identifying the total potential revenue if fee waivers were not given and deducting the total value of fee waivers.

A-Permits: Sidewalk Repair Fees	FY 2011-12	FY 2012-13
Total Potential A-Permit Fees/Revenue (Residential properties only for sidewalk repair)	\$167,430	\$172,246
Total Value of No-Fee, A-Permits (Residential properties only for sidewalk repair)	\$115,185	\$114,271
Total Revenue Collected for A-Permits for Sidewalk Repair ¹	\$ 52,245	\$ 57,975

1. Estimate calculated by subtracting the total value of no-fee A-Permits from the total potential A-Permit fees/revenue charged to property owners for sidewalk repair.

It is important to note that a No-Fee A-Permit still requires a constituent to apply for and receive a Permit, it simply relieves the constituent of the Fee.

RECOMMENDATIONS

That the Council instruct the City Attorney to prepare and present an ordinance for consideration that will allow issuance of a no-fee A-Permit for residential property owners who elect to perform adjoining sidewalk repair and reconstruction.

FISCAL IMPACT STATEMENT

There is no fiscal impact from the recommendation in this report. Should the Council and Mayor expand the issuance of a No-Fee A-Permit for sidewalk repair to all constituents, it would be projected that the General Fund will lose approximately \$58,000 in revenue annually.

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**PUBLIC WORKS AND GANG
REDUCTION**

MOTION BUDGET & FINANCE

The City of Los Angeles has an estimated 10,750 miles of sidewalks. Sidewalks comprise a vast network of pedestrian walkways linking neighborhoods and communities both residential and commercial. Since a community's health and livability is reflected in the condition of its sidewalks, then the City should promote efforts by property owners to repair damaged sidewalks.

Both the State Improvement Act of 1911 and Section 62.104 of the Los Angeles Municipal Code (LAMC) place the responsibility for sidewalk construction, reconstruction and repair on the adjoining property owner, with the exception of damage resulting from tree roots. The City has provided significant resources, including the successful 50/50 program, to further the repair of damaged sidewalks.

The City has for sometime sought solutions to the growing number of damaged City sidewalks. While the City continues to work on long-term solutions, it should encourage property owner initiated sidewalk repairs.

Sidewalk repair requires an "A" permit from the Bureau of Engineering and the payment of a fee that includes an inspection of the work performed. The permit fee is a flat rate of \$265, the inspection fee is charged at \$0.85 a square foot, and there are additional surcharges. So a relatively small sidewalk repair could result in significant additional cost to the property owner in the range of \$500 to \$600.

If permit fees were eliminated, more property owners would assuredly be willing to undertake sidewalk repairs. This small decrease in City revenue would increase property owner initiated sidewalk repairs. This proposal is consistent with current fee exceptions in the LAMC for damaged sidewalks caused by subsidence, pavement failure, earthquake or trees.

I THEREFORE MOVE that the City Attorney, with the cooperation and assistance of the Bureaus of Engineering and Street Services, be requested to prepare and present an ordinance amending the Los Angeles Municipal Code to eliminate any fees associated with sidewalk construction, reconstruction and repair that is undertaken by the adjoining property owner.

PRESENTED BY: *Joe Buscaino*
JOE BUSCAINO
Councilmember, 15th District

SECONDED BY: *Gilbert Cedillo*

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