

REPORT FROM


OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: October 4, 2021

CAO File No. 0160-01581-0000
Council File No. 15-1511, 16-1433-S1
Council District: All

To: The Mayor
The Council

From: Matthew W. Szabo, City Administrative Officer



Reference: Department of Building and Safety transmittal dated March 5, 2021; Received by the City Administrative Officer on March 5, 2021; Additional information received through September 29, 2021

Subject: **DEPARTMENT OF BUILDING AND SAFETY REQUEST TO ESTABLISH THE TEMPORARY SPECIAL EVENT PERMITS FEE AMOUNT**

RECOMMENDATION

That the Council, subject to the approval of the Mayor, adopt the attached Resolution (Attachment 1) to set the amount of the Temporary Special Event Permits fee, as described in Section 91.107.2.9 of the Los Angeles Municipal Code, at \$437 per application, effective on or after October 1, 2021.

SUMMARY

At its special meeting held on April 15, 2021, the Planning and Land Use Management (PLUM) Committee considered reports from the Department of Building and Safety (DBS) and the Office of the City Attorney, and a draft Ordinance relative to amending the Los Angeles Municipal Code to establish Temporary Special Event (TSE) Permits issued by the DBS for temporary installations, temporary outdoor uses, and farmers' markets. The PLUM Committee recommended to approve the draft Ordinance, and requested that the Office of the City Administrative Officer (CAO) and DBS prepare a report and Resolution to establish the fees for the issuance of TSE permits.

On May 18, 2021, the City Council and Mayor adopted the Temporary Special Event Permits Ordinance (Ordinance No. 187056), which codifies existing DBS policies and practices for issuing permits that authorize temporary installations and outdoor uses for a maximum of five events in any 12-month period. The Ordinance also codified a TSE permit subcategory for the operation of a certified Farmers' Market, which allows organizers to obtain permit approvals on an annual basis. Lastly, the Ordinance stated that the Council shall adopt, by resolution, a TSE fee based on an analysis of the cost of issuing TSE permits, including those for Farmers' Markets.

Fee Analysis

In 2020-21, the DBS conducted a fully burdened time and materials cost analysis of TSE Permit

issuances and provided a copy of its analysis to the CAO. To determine the cost of providing the services, DBS calculated the total cost of completing the tasks associated with a typical TSE permit issuance based on 2019-20 data. The costs included the annual salary of the employee classifications completing the TSE work, related costs calculated by applying the Cost Allocation Plan (CAP) 42 rates prepared by the Controller's Office, and associated annual expenses (e.g. mileage, equipment, and office and administrative costs). The annual costs were divided by the number of work hours in 2021-22 to calculate the total hourly cost. The hourly cost was multiplied by the average time it takes DBS staff (in hours) to complete the TSE tasks. The DBS's calculations are included in Attachment 3 of this report. Based on this analysis, the DBS requests that the City Council and the Mayor set the TSE fee at \$444 to achieve full cost recovery.

Upon review of the DBS fee calculations, this Office concurs with the methodology used to reach the proposed TSE Permit fee of \$444. This Office, however, found that certain position and related costs information used in the fee analysis were not consistent with the figures used in the 2021-22 Adopted Budget. The CAO updated the DBS calculations to incorporate the following information, which was not available at the time DBS completed its fee study analysis: 1) revised 2021-22 salary amounts that capture the delayed compensation adjustments negotiated with bargaining units and approved by the Mayor and Council and, 2) the most recent draft CAP 43 rates. The CAO revisions to the DBS analysis are included in Attachment 2 of this report. The CAO revisions result in a reduced proposed TSE Permit Fee amount of \$437. The DBS concurs with the revised fee proposal.

In light of the COVID-19 Pandemic and the Mayor's "Safer At Home" order, the DBS anticipates processing 540 permits in 2021-22, but notes that the number may increase if safety restrictions are lifted in the current year. Based on the DBS estimate of permit issuances, the CAO proposed fee amount of \$437 may generate up to \$235,980 in revenue to the City in 2021-22. Should the Mayor and Council approve the proposed \$437 TSE permit fee, receipts will be deposited into the Building Permit Enterprise Fund (Enterprise Fund). The DBS notes that it is in the process of completing a comprehensive fee study of the Enterprise Fund, which it anticipates will be completed and submitted to the Mayor and Council under separate cover by October 2021.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. The proposed fee amount of \$437 for the issuance of Temporary Special Event Permits is intended to achieve full cost recovery.

FINANCIAL POLICIES STATEMENT

The recommendation in this report complies with the City's Financial Policies in that the proposed fee is based on the reasonable cost of the providing the services for which they are charged.

MWS:MOF:02220037c

Attachments

RESOLUTION

WHEREAS, on May 18, 2021, the City Council and Mayor adopted the Temporary Special Event Permits Ordinance (Ordinance No. 187056) to establish and regulate the permits issued by the Los Angeles Department of Building and Safety (LADBS) for temporary installations and outdoor uses, and certified farmers' markets; (C.F. 15-1511 and 16-1433-S1); and,

WHEREAS, the Temporary Special Event Permits Ordinance included a provision that Temporary Special Event Permits or Farmers' Market Permits will not be issued without the payment of fees required by Los Angeles Municipal Code Section 91.107, which would be set upon adoption of a resolution by City Council based on an analysis of the cost of the issuance of Temporary Special Event or Farmers' Market permits; and,

WHEREAS, LADBS performed a burdened time and materials cost analysis of temporary special event permits issued for calendar year 2019-20 to determine the cost of services and recommended the establishment of the Temporary Special Events Permit fee at \$437 per application; and,

NOW, THEREFORE BE IT RESOLVED, that the City Council set the Temporary Special Events fee rate as described in Section 91.107.2.9 of the Los Angeles Municipal Code (Ordinance No. 187056) at \$437 per application, effective on or after October 1, 2021, and to be reviewed annually beginning on July 1, 2022 to ensure the cost of providing the services remains at full cost recovery.

PRESENTED BY: _____

SECONDED BY: _____

**Los Angeles Department of Building and Safety
Temporary Special Events Fee
CAO Review and Revisions**

Permit Processing, Inspection, & Code Enforcement

Permit Tasks	Classification Performing Task (D)	Average No. of Tasks Per Permit (A)	No. Hours Per Task (B)	Average Total Time Spent (hrs) (A*B)=(C)	Annual Salary ¹ (E)	Annual CAP 43 Rate ² (F)	Annual Expenses ³ (G)	Annual Total (E)+(F)+(G)=(H)	Hourly Rate (H)/2088 Hours ⁴ (I)	Total Hourly Cost (C)*(I)=(J)	
Inspector Processing Permit Application	SR BUILD INSPECTOR	2.5	0.4	1.00	\$ 128,825	\$ 136,451	\$ 5,492	\$ 270,768	\$ 129.68	\$ 129.68	
In Office / Phone Customer Service	SR BUILD INSPECTOR	1.5	0.2	0.30	\$ 128,825	\$ 136,451	\$ 5,492	\$ 270,768	\$ 129.68	\$ 38.90	
Research	SR BUILD INSPECTOR	1	0.25	0.25	\$ 128,825	\$ 136,451	\$ 5,492	\$ 270,768	\$ 129.68	\$ 32.42	
Travel Time to Job Site (Pre-Inspection)	SR BUILD INSPECTOR	2	0.3	0.60	\$ 128,825	\$ 136,451	\$ 5,492	\$ 270,768	\$ 129.68	\$ 77.81	
Pre-Inspection Walk Through	SR BUILD INSPECTOR	1	0.3	0.30	\$ 128,825	\$ 136,451	\$ 5,492	\$ 270,768	\$ 129.68	\$ 38.90	
Meetings with Other Departments / LADBS Staff	SR BUILD INSPECTOR	2	0.05	0.10	\$ 128,825	\$ 136,451	\$ 5,492	\$ 270,768	\$ 129.68	\$ 12.97	
Opening / Closing Permit / Case	SR BUILD INSPECTOR	2	0.15	0.30	\$ 128,825	\$ 136,451	\$ 5,492	\$ 270,768	\$ 129.68	\$ 38.90	
Management / Supervision of Inspector's Work	PR INSPECTOR	1	0.008	0.01	\$ 138,496	\$ 146,695	\$ 4,604	\$ 289,795	\$ 138.79	\$ 1.11	
Conduct Field Inspections	SR BUILD INSPECTOR	1.5	0.3	0.45	\$ 128,825	\$ 136,451	\$ 5,492	\$ 270,768	\$ 129.68	\$ 58.36	
Generate Order to Comply	SR BUILD INSPECTOR	0.1	0.1	0.01	\$ 128,825	\$ 136,451	\$ 5,492	\$ 270,768	\$ 129.68	\$ 1.30	
Clerical Processing	SR ADMINISTRATIVE CLERK	0.85	0.1	0.09	\$ 67,703	\$ 71,711	\$ 1,770	\$ 141,184	\$ 67.62	\$ 5.75	
Clerical Supervision	PR CLERK	0.8	0.01	0.01	\$ 85,284	\$ 90,333	\$ 1,770	\$ 177,387	\$ 84.96	\$ 0.68	
Estimated Time				3.41	GRAND TOTAL FEE				\$ 437.00		

	FY 2021-22
Estimated number of Temporary Special Events and Farmer's Markets permits to be issued ⁵	540
Fee Estimate	437.00
Estimated Revenue	\$ 235,980

¹ Revised Fiscal Year 2021-22 Wages and Count.

² CAP 43 includes 49.22% Fringe Benefits, 14.76% Central Services, 19.28% Department Administration and Support, and 22.66% Compensated Time Off for a total fully loaded CAP rate of = 105.92%

³ Expenses include mileage, Printing and Binding, Contractual Services, Office and Admin, Operating Supplies, Equipment, and Code Books.

⁴ Hours = 261 working days in 2021-22 x 8 working hours

⁵ The figure decreased from prior year estimate of 2,900 due to the impacts of the COVID-19 pandemic.

**Los Angeles Department of Building and Safety
Temporary Special Events Fee
LADBS Calculations**

Permit Processing, Inspection, & Code Enforcement

Permit Tasks	Classification Performing Task (D)	Average No. of Tasks Per Permit (A)	No. Hours Per Task (B)	Average Total Time Spent (hrs) (A*B)=(C)	Annual Salary ¹ (E)	Annual CAP 42 Rate ² (F)	Annual Expenses ³ (G)	Annual Total (E)+(F)+(G)=(H)	Hourly Rate (H)/2080=(I)	Total Hourly Fee (C)*(I)=(J)
Inspector Processing Permit Application	SR BUILD INSPECTOR	2.5	0.4	1.00	\$ 131,481	\$ 137,069	\$ 5,492	\$ 274,042	\$ 131.75	\$ 131.75
In Office / Phone Customer Service	SR BUILD INSPECTOR	1.5	0.2	0.30	\$ 131,481	\$ 137,069	\$ 5,492	\$ 274,042	\$ 131.75	\$ 39.53
Research	SR BUILD INSPECTOR	1	0.25	0.25	\$ 131,481	\$ 137,069	\$ 5,492	\$ 274,042	\$ 131.75	\$ 32.94
Travel Time to Job Site (Pre-Inspection)	SR BUILD INSPECTOR	2	0.3	0.60	\$ 131,481	\$ 137,069	\$ 5,492	\$ 274,042	\$ 131.75	\$ 79.05
Pre-Inspection Walk Through	SR BUILD INSPECTOR	1	0.3	0.30	\$ 131,481	\$ 137,069	\$ 5,492	\$ 274,042	\$ 131.75	\$ 39.53
Meetings with Other Departments / LADBS Staff	SR BUILD INSPECTOR	2	0.05	0.10	\$ 131,481	\$ 137,069	\$ 5,492	\$ 274,042	\$ 131.75	\$ 13.18
Opening / Closing Permit / Case	SR BUILD INSPECTOR	2	0.15	0.30	\$ 131,481	\$ 137,069	\$ 5,492	\$ 274,042	\$ 131.75	\$ 39.53
Management / Supervision of Inspector's Work	PR INSPECTOR	1	0.008	0.01	\$ 142,427	\$ 148,480	\$ 4,604	\$ 295,511	\$ 142.07	\$ 1.14
Conduct Field Inspections	SR BUILD INSPECTOR	1.5	0.3	0.45	\$ 131,481	\$ 137,069	\$ 5,492	\$ 274,042	\$ 131.75	\$ 59.29
Generate Order to Comply	SR BUILD INSPECTOR	0.1	0.1	0.01	\$ 131,481	\$ 137,069	\$ 5,492	\$ 274,042	\$ 131.75	\$ 1.32
Clerical Processing	SR ADMINISTRATIVE CLERK	0.85	0.1	0.09	\$ 70,341	\$ 73,330	\$ 1,770	\$ 145,441	\$ 69.92	\$ 5.94
Clerical Supervision	PR CLERK	0.8	0.01	0.01	\$ 87,705	\$ 91,432	\$ 1,770	\$ 180,907	\$ 86.97	\$ 0.70
				Estimated Time	3.41				GRAND TOTAL FEE	\$ 444.00

	FY 2021-22
Estimated number of Temporary Special Events and Farmer's Markets permits to be issued ⁴	540
Fee Estimate	444.00
Estimated Revenue	\$ 239,760

¹ Fiscal Year 2021-22 Wages and Count.

² CAP 42 includes 48.12% Fringe Benefits, 13.74% Central Services, 20.68% Department Administration and Support, and 21.71% Compensated Time Off for a total fully loaded CAP rate of = 104.25%

³ Expenses include mileage, Printing and Binding, Contractual Services, Office and Admin, Operating Supplies, Equipment, and Code Books.

⁴ The figure decreased from prior year estimate of 2,900 due to the impacts of the COVID-19 pandemic.