

## BUDGET &amp; FINANCE

## Motion

Code enforcement, one of the main regulatory functions the City performs, is a core service provided to the people of Los Angeles. The provision of code enforcement is necessary to, among other things, preserve public safety, address visual blight, and eliminate nuisance uses. Code enforcement is largely performed by the Department of Building and Safety. When construction takes place without the benefit of permits, this not only circumvents the city's regulatory control but can also create dangerous conditions for future residents and customers of those illegal structures. With the City being so large and the large amount of development that takes place year-round, a robust code enforcement unit is necessary to ensure not only the quality of life in its neighborhoods but also to ensure economic stability and fairness.

Code enforcement, conducted by the Department of Building and Safety, is dependent on the General Fund. The taxpayers of Los Angeles are currently subsidizing expensive enforcement actions against those individuals who ignore the City's regulations because, in large part, the penalties collected for non-compliance are inadequate to make the code enforcement program self-sustainable. In this time of unprecedented financial crisis, proper budgeting requires that penalties and fines be examined to retain and improve core services. Additionally, the City's ability to recover penalties on code enforcement actions is highly dependent upon the City Attorney using limited resources to pursue enforcement actions.

Within other jurisdictions, particularly the County of Los Angeles, administrative penalties are levied for code enforcement violations and do not require the filing of a civil action. This approach allows the County not only to recover the costs of its enforcement program through penalties, but allows County Counsel to concentrate on those unique cases that, due to their severity or complication, require a civil or criminal action to be filed.

Other jurisdictions also recover additional penalties when a code enforcement action results in an applicant obtaining a planning or building permit after-the-fact. These situations result in additional time spent and expense from enforcement and permitting staff. These costs are often recovered in the form of penalties. The City of Malibu, for instance, charges double building permit fees and five-times the normal fee for planning permits obtained after-the-fact.

It should also be recognized that the City's regulatory powers enable it to levy penalties and fines as code enforcement tools to deter any violations of city regulations. However, these penalties and fines, to be effective, must be sufficiently severe to actually provide a deterrent effect. Certainly, repeat offenders should face very significant penalties.

The City of Los Angeles would be well served by updating and enhancing its code enforcement program and moving the cost of enforcement away from the taxpayer and assure that those costs are borne by the violators. While the Council has taken some steps to address this issue – including fee changes this year which, as noted in the Controller's recent audit, have assisted DBS in improving its code enforcement activities, more needs to be done. It is critical, moreover, that this expanded penalty program be in effect prior to the Council's adoption of a budget for 2010-2011. As we discussed at the Council's Planning and Land Use Management Committee earlier this fiscal year, we cannot go another year without reviewing our enforcement structure and appropriately raising penalties for code violations and non-compliance.





**I THEREFORE MOVE** that the Department of City Planning and the Department of Building and Safety with the Assistance of the City Attorney develop an ordinance establishing the following:

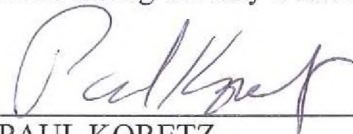
1. Penalty fees for the issuance of permits "after-the-fact" by the Department of Building and Safety and the Department of City Planning, which currently don't exist in our City's code;
2. Administrative penalties for planning and zoning code violations, construction without permits, and failure to comply with any Department order; and,
3. A penalty structure severe enough to deter any future violations of City code enforcement regulations.

**I FURTHER MOVE** that any penalty/fine ordinance developed by the City Attorney as a result of this motion:

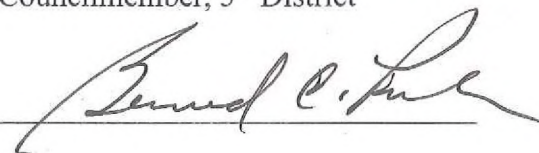
1. Index the penalties to the Construction Cost Index or other appropriate index as determined by the Departments.
2. Create enforcement accounts within the Enterprise Funds of the Department of Building and Safety and the Department of City Planning.
3. Provide that all code enforcement penalties and fines accrue to these enforcement accounts for purposes of providing increased and effective code enforcement.

**I FURTHER MOVE** that this ordinance be presented to the Budget and Finance Committee in 45 days of the adoption of this motion so that it can be considered during the City's 2010-11 Budget deliberations.

**PRESENTED BY:**

  
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PAUL KORETZ  
Councilmember, 5<sup>th</sup> District

**SECONDED BY:**

  
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JAN 15 2010

**ORIGINAL**