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The Ovrom Factor

How the New Building and Safety Chief Plans to Run One of the City's Most Important Departments

by Ryan Vaillancourt

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DOWNTOWN LOS ANGELES - Bud Ovrom, the still newly minted head of the city Department of Building and Safety, is the first to admit he has no background in engineering and construction safety. So shortly after taking the post, he bought two books to add to the mini-library in his 10th floor corner office at 201 N. Figueroa St.: *Why Buildings Stand Up*, and its companion, *Why Buildings Fall Down*, by structural engineers Matthys Levy and Mario Salvadori.

Then again, it's clear that when Mayor Antonio Villaraigosa urged his deputy mayor for economic affairs to take over the nearly 900-person department formerly run by Andrew Adelman — who left in a cloud of sexual scandal — he wasn't looking for someone to rewrite the city building code. Instead, he wanted a person capable of leading the largest of the 12 city departments involved in getting real estate projects off the ground, at a time when development is at a near standstill.

"We're about economic development at Building and Safety, we're about promoting jobs and growth, but building and safety is first and foremost a safety department," said Ovrom, 64, tapping the Levy and Salvadori books for emphasis.

Indeed, [Building and Safety's](#) main responsibilities are construction permitting, plan checking and inspections to ensure that structures comply with safety regulations. Yet Ovrom nevertheless considers the department a key component of the city's economic engine — real estate development. A well-oiled department, in which projects are permitted and inspected efficiently, facilitates development, which in turn encourages more projects and leads to job creation, he said.

It's a formula Ovrom knows well. The Maryland native spent most of his professional life in Burbank, where he was city manager for 18 years. His chief accomplishments included helping to broker the development of the Empire Center, a big box shopping mecca, and revitalizing downtown Burbank, said Dave Golonski, a Burbank City Council member for 17 years.

"Bud was definitely a driving force in the economic development efforts of Burbank," Golonski said. "When Lockheed left Burbank, Bud and his economic development team are largely to be credited with not only replacing the jobs we lost, but replacing them with good paying, clean jobs that have a lasting benefit to Burbank."

It was another accomplishment Ovrom gets credit for in Burbank — easing the entitlement process — that Los Angeles business and political officials want to see copied here. Villaraigosa has said Ovrom's main task is implementing "12-to-two," the entitlement streamlining program introduced almost two years ago that has not yet gained traction.

"I think everybody's frustrated, including the mayor," said Sam Garrison, vice president of public policy for the Los Angeles Area Chamber of Commerce. "L.A. still has the reputation of being a very difficult place to do business when it comes to navigating the city bureaucracy."



Bud Ovrom became general manager of the Department of Building and Safety in February. He previously served as Mayor Antonio Villaraigosa's deputy mayor for economic affairs. *Photo by Gary Leonard.*

Revenue Streams

Currently, developers in Los Angeles have to ferry their projects back and forth among the 12 city departments involved in the entitlement process. Along the way, projects get delayed when different departments want different changes.

The Department of Transportation, for example, may press for narrow sidewalks to improve traffic flow. But the Community Redevelopment Agency may argue for wider sidewalks for enhanced pedestrian activity. The developer often doesn't care, but has to wait for months as the clashing agencies reach a solution, Ovrom said.

The new model Ovrom is charged with implementing would have developers interface with only two departments, Building and Safety and Planning, which would then communicate with the other 10 entities involved.

The business community has lamented that 12-to-two has had little progress since it was introduced in 2008, but there is a sense of optimism that Ovrom can give the plan a boost, said Carol Schatz, president and CEO of the Central City Association.

"He certainly has an excellent grasp of this issue and big city issues because he has been dealing with all of them as deputy mayor," Schatz said. "I can't think of anybody who's had a better vantage point to implement 12-to-two."

Ovrom agrees that not enough has happened, but maintains that the groundwork for change is being laid. For years, the departments lacked a computer system to collectively track projects. Such a program is now in beta testing.

But five weeks into the job, Ovrom may have more pressing matters than 12-to-two. Like everyone else in city government, he is dealing with the challenges of a slowing economy.

Building and Safety is unique in that its budget is supported largely by the revenue it generates. Whereas most departments rely heavily on the general fund, about 88% of Building and Safety's \$70.4 million budget this year comes from what is known as an enterprise fund, which was set up under Adelman's watch.

With real estate activity down sharply in the recession, Building and Safety's enterprise fund is shrinking. Construction in Los Angeles has tumbled from its peak of about \$5.2 billion in fiscal year 2006/2007 to a projected \$2.5 billion this year. In February, the department's year-to-date revenue was down 36% compared to two years ago, from \$79.5 million to \$50.5 million.

"With the enterprise fund, you live by the sword, you die by the sword," Ovrom said. "Our revenues as an enterprise fund are down more than the general fund revenue, so in that sense, we have a bigger challenge."

In the private sector, managers have an obvious solution when faced with diminishing revenue — layoffs. The public realm's highly protected union workforce makes that difficult. Building and Safety currently has about 860 employees, less than it had last year, but still more than Ovrom believes are needed to do the job, at least in slow times.

If Building and Safety is to operate a successful enterprise fund, Ovrom said it needs a model that includes a workforce that fluctuates with the varying workload. His initial idea is to let the full-time staff shrink through attrition and early retirement, and when business picks back up, have retired city employees come in on an as-needed basis.

"In our retirement pools, you can still work for the city for 90 days worth of hours per year," he said. "So let's say we need plan checkers and inspectors, we can hire a retired plan checker. When the job's done, you're done. Go back on retirement. Unions don't fight bringing back retired employees."

Ovrom also has his sights on licensing the department's in-house software for tracking permits. The city lets other municipalities piggyback on the software for free. If Ovrom has his way, they'll have to pay.

There are other opportunities for the department to be more entrepreneurial: Its in-house training division, which teaches the building code every three years, should be available to contractors who want to learn the code too, for a fee. The department's test lab, which evaluates new construction materials before approving their use, may be able to similarly sell its services, he said.

Not Quite Retired

In 2003, Mayor Jim Hahn hired Ovrom to be CEO of the Community Redevelopment Agency. When Villaraigosa unseated Hahn in 2005, the new mayor recruited Ovrom to work in his office. It was the beginning of a close relationship: Ovrom remains loyal to the mayor. He even keeps a [bobble-head](#) of Villaraigosa on his bookshelf.

When Ovrom became a deputy mayor, he pledged he would only stay for one term. Indeed, last year Ovrom said he was ready to say goodbye to the fast pace and long hours in the mayor's office. Not to mention, the deputy mayor gig amounted to a \$100,000 per year pay cut, he said.

Villaraigosa shook up his administration and replaced numerous department heads after his poor showing in the 2009 mayor's race. He had to find a replacement for Adelman, who stepped down after a widely publicized incident in which a woman alleged she was drugged and that she had sex against her will with the department head ([no charges were ever filed](#)).

Ovrom ultimately accepted the Building and Safety job, he said, because he was enticed by the chance to again be involved in a more "bricks and mortar" business, compared to the wide-ranging economic policy tasks he had been charged with. The general manager post has long hours too, but it's a lighter load than what came as deputy mayor, he said.

With a hefty pension from Burbank, Ovrom doesn't need to work. But he claims to love what he does, and age and a sedentary lifestyle are not encroaching on him yet. He recently joined the Los Angeles Athletic Club.

But skeptics could be forgiven for wondering how long Ovrom will last in the position. After all, he was ready to leave the full-time life just months ago.

"It's a fair speculation and I tell people don't lose any sleep over it," Ovrom said. "Am I going to be here a year from now? Sure. Am I going to be here two years from now? Probably so. Am I going to be here three years from now? Maybe."

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