



**BUILDING INSPECTION COMMISSION (BIC)  
Department of Building Inspection (DBI)**

**REGULAR MEETING**

**Wednesday, July 16, 2014 at 9:00 a.m.**

**City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416**

**Aired Live on SFGTV Channel 78**

**ADOPTED October 15, 2014**

**MINUTES**

The regular meeting of the Building Inspection Commission was called to order at 9:10 a.m. by President McCarthy.

**1. Call to Order and Roll Call – Roll call was taken and a quorum was certified.**

**COMMISSION MEMBERS PRESENT:**

Angus McCarthy, **President, excused**

Frank Lee, **Commissioner (9:18 a.m.)**

James McCray, Jr. **Commissioner**

Debra Walker, **Commissioner, excused**

Sonya Harris, **Secretary**

Warren Mar, **Vice-President**

Kevin Clinch, **Commissioner**

Myrna Melgar, **Commissioner, excused**

**D.B.I. REPRESENTATIVES:**

Tom Hui, **Director**

Edward Sweeney, **Deputy Director, Permit Services**

Dan Lowrey, **Deputy Director, Inspection Services**

Taras Madison, **Chief Financial Officer**

William Strawn, **Legislative and Public Affairs Manager**

Hema Nekkanti, **IS Project Director**

**CITY ATTORNEY REPRESENTATIVE**

John Malamut, **Deputy City Attorney**

**2. President's Announcements.**

President McCarthy made the following announcements:

- Special Thanks to Building Inspector Chester Chiu and to Plan Review engineer Joseph Chan for staffing the DBI Booth at this year's annual Chinatown Safety Fair, which was held on June 14<sup>th</sup> and where they responded to many questions about the new legalization of in-law units, the mandatory retrofit program, and what to do to prepare for the next Big Earthquake.
- Professional service kudos, too, for Building Inspector Leopoldo Rafael, who was singled out in a letter from a happy customer for his "attentiveness and guidance" during a recent project on Second Avenue. Leopoldo was especially valued for his knowledge of the codes,

and in finding workable solutions. Thank you, Leopoldo.

- Thanks also to Director Hui and DBI Staff in creating and launching the new DBI online newsletter, “E-LERT,” which provides current information on City-wide issues where DBI is playing an important leadership role. The DBI E-LERT will be updated at least quarterly, and posted on the DBI web site. We particularly want to salute Joel Cusi of the Management Information Staff (MIS) for his design and technical skills, as well as his enthusiasm, for this project.
  - One final reminder: DBI will host another free public workshop on **Monday, August 11, from 3-5 p.m., at the Koret Auditorium in the Main Library on the mandatory soft-story retrofit program.** Owners who have not yet submitted the required screening forms are invited, again, and to be reminded about the rapidly approaching Sept. 15th deadline for submission of these screening forms, which must be completed and signed by a licensed architect or engineer. Failure to comply by the Sept. 15th deadline will result in a posted Notice of Violation, as well as a posted sign on the building that it is in violation of earthquake safety requirements. There will be financial penalties assessed for these code enforcement actions by DBI – so save money, and unnecessary hassle, and MEET THE SEPTEMBER 15TH DEADLINE FOR SCREENING FORMS.
3. General Public Comment: The BIC will take public comment on matters within the Commission’s jurisdiction that are not part of this agenda.

There was no public comment.

4. Discussion and possible action to approve and swear in members of the Board of Examiners Appointment/Reappointments recommended by the Nominations Sub-Committee are: Robert Fuller, Registered Fire Protection Engineer and Sam Alkhatib, Registered Electrical Engineer. Terms to expire September 15, 2016.

Vice-President Mar stated that he, Commissioner Lee, and Commissioner Melgar met recently and were happy to recommend Robert Fuller as the Registered Fire Protection Engineer and Sam Alkhatib as the Registered Electrical Engineer. He also thanked them for applying since their seats are difficult to fill.

***Vice-President Mar made a motion, seconded by Commissioner Clinch, to appoint Robert Fuller, Registered Fire Protection Engineer and Sam Alkhatib, Registered Electrical Engineer.***

Secretary Harris called for public comment, and there was none. Secretary Harris called for a roll call vote:

President McCarthy	YES	Vice-President Mar	YES
Commissioner Clinch	YES	Commissioner Lee	YES
Commissioner McCray	YES		

***The motion carried unanimously.***

The Commissioners and audience applauded, and Vice-President Mar read the Oath of Office and Mr. Fuller and Mr. Alkhatib repeated the Oath, and were sworn in.

## **RESOLUTION NO. BIC 033-14**

### **5. Director's Report.**

Director Hui announced that Taras Madison was the new Chief Financial Officer and Deputy Director of Administration and Finance.

#### **a. Update on DBI's finances.**

Ms. Taras Madison, Chief Financial Officer, stated that she was glad to be back at the Department of Building Inspection and looked forward to working with everyone. Ms. Madison gave an update on DBI's finances and highlighted the following items:

- June is the end of the fiscal year and the Department is still collecting revenue, so the report is projected.
- DBI is still collecting revenue, and Department is projecting \$23 million more than what was expected due to collecting fees for charges for services.
- Increase in revenue is primarily due to one particular revenue source which is Plan Check revenue. It was budgeted at \$16M but is actually going to be \$29M.
- Highlights of revenue sources collected are: Building permits which are \$4M over what was budgeted, and Central Permit Bureau which is \$2M over.
- Projecting \$5M savings in FY 13/14 expenditures, primarily in salary savings. DBI has had some vacant positions and are working diligently to fill them.
- Projecting \$28M surplus overall for FY 13/14. Revenues are collected up front but DBI has not actually earned the revenues yet so it is put in a separate account. Hopefully \$20M will be left over in surplus for FY 13/14.
- July 1 will start a new fiscal year. Staff is looking at revenues closely, and is being proactive to budget correctly. On expenditure side staff is aggressively trying to fill positions, and recruiting for various classes.
- Ms. Madison thanked everyone on the hiring front along with HR staff and DHR for helping to fill positions, and also thanked the hiring managers.

President McCarthy said DBI finds itself in a unique position of earning too much money, but many on the Commission served when the Department had no money. Commissioners have ideas about the future growth of the Department, and how the money should be allocated but there does not seem to be a strategic plan of where the money is going to be spent as far as expansion of the office and so on.

Director Hui said as the article in the newspaper mentioned, that will be a bigger project and involves more departments than DBI, so staff is reserving some of the money to get the true one stop there, along with the whole office moving. GSA will help to resolve things.

Vice-President Mar said the project President McCarthy was referring to was the potential of DBI moving to other offices. He asked about DBI moving to bigger offices, and asked if part of the

surplus money could be set aside for future construction costs. He also asked about deferred work and seismic safety and the BIC is concerned that there will be a lot of work for the inspectors, so he wants to be sure that there is extra staff capability.

Director Hui agreed and said there are two issues of long term and short term space. Additional staff has been added to the projected budget which is project based for plan check and support staff, as DBI foresees extra work coming in for vacant storefront and other legislation.

Vice-President Mar said that he noticed a \$3K transfer from Supervisor Kim's discretionary fund and wondered if it was earmarked for a specific item that she was particularly interested in. Ms. Madison said that all supervisors get \$100K for discretionary fund and DBI received \$3K to work with one of the non-profit groups.

Ms. Madison said regarding capital projects, DBI is aware of all of the new projects and plans to have additional staff to address this.

Deputy City Attorney John Malamut said that he was certain the \$3K went to the Tenderloin Housing Clinic for educational purposes, and working with tenants.

b. Update on proposed legislation.

Mr. Bill Strawn, Legislative and Public Affairs Manager, gave an update on proposed legislation and discussed the following items:

**File No. 140284 – Supervisor Tang's Vacant or Abandoned Commercial Storefronts and Registration Fee.** Legislation is an expansion of the existing vacant building ordinance that was originally sponsored several years ago by Supervisor Chiu, which is residential focused. Mayor's Office of Economic Workforce Development has people going to check open commercial storefront vacancies of about 25 commercial districts all over San Francisco. They have generated a separate database that currently has about 180 identified vacant commercial storefronts. The Supervisor's intention of the legislation is to make sure they are not sources of blight or eye sores.

**File No. 140757 & 140755 – Annual Lien/Delinquent Charges for assessment costs on code violations.** DBI has sent its initial listing of 310 non-responsive owners to the Board of Supervisors – considerably higher than last year due to increased code enforcement staff resources. The list will most likely be lower as people come in to pay their fees, otherwise there will be a financial encumbrance on their property.

**Ordinance No. 130119 – Mandatory Seismic Retrofitting of Soft Story buildings --** The Mayor introduced this at the Board on February 5<sup>th</sup>, with six co-sponsors and it passed unanimously. Since DBI has an advertising campaign to remind owners about the Sept. 15<sup>th</sup> deadline for submission of their screening forms signed by a licensed architect/engineer, and ads have appeared in more than a dozen S.F. neighborhood publications in July and August there has been an increase in the number of screening forms being submitted.

**File No. 131148 – Authorization of Dwelling Units Installed Without a Permit.** Sponsored by Supervisors Chiu, Wiener, and Cohen. In the first six weeks there were about 400 inquiries, and now there are about 45. DBI has not issued one permit yet to legalize a unit.

Commissioner's & Staff Question & Answer Discussion:

- President McCarthy asked if there was going to be an evaluation of the illegal unit legislation. Mr. Strawn said there should be a report after six months from DBI and Planning.
- President McCarthy asked if there was a feeling as to why only one permit was issued. Director Hui said the public wants to sit and wait to see what happens, because there is a possibility of an increase in their property taxes or it could be under rent control. He also said that ten applicants went to Planning, but they have not come back to DBI yet.
- Mr. Strawn said people need to get professional advice and come to the Technical Services Division at DBI to get an idea of the cost. It could be that this is the informational stage.
- Commissioner Lee asked if DBI has received calls or complaints regarding illegal units. Mr. Strawn said that he was not aware of any recent complaints.
- Commissioner Lee asked if recent complaints came in, has staff steered owners towards legalization. Mr. Strawn said the information staff gives out is regarding fees, because the NOV is suspended while they are trying to legalize their unit.
- Commissioner Lee asked if there could be follow up to check if staff is encouraging owners to legalize their units when complaints come in.
- Vice-President Mar said like the vacant storefront legislation, a lot of legislation gives owners a longer amount of time than DBI's NOV process. This kind of subverts DBI's NOV process, because the owner has nine months instead of thirty days: Owner knows the NOV means nothing, since they have a nine month grace period.

c. Update on Permit Tracking System.

Ms. Hema Nekkanti, IS Project Director, gave an update on the Permit Tracking System and addressed the following items:

- Department continuing to do data conversion and testing.
- Currently in Round 3. In Round 4 staff will do fixes.
- Testing will end towards the end of August and at the beginning of September.
- There were massive network connectivity issues, and citywide email outages impacted project timeliness.
- The Go Live date is expected to be October 14 after the 3-day weekend.

Commissioner's & Staff Question & Answer Discussion:

- Commissioner McCray asked what the network problem was. Ms. Nekkanti said the problem was on the PTS system, and there were connectivity issues: Usually the system comes up, but it took 3 minutes to post the first page.

- Vice-President Mar asked if the problem was from DBI or Planning? Ms. Nekkanti said the problem was with both departments inside and outside. Network connectivity issue was citywide.

d. Update on major projects.

Director Tom Hui gave an update on major projects, and stated that according to the report over \$5M came in and the amount is increasing due to the new energy code starting on July 1<sup>st</sup>.

Director Hui said that he expects this to level off in one to two years.

e. Update on code enforcement.

Dan Lowrey, Deputy Director of Inspection Services, gave an update on code enforcement and said that there was 100% response to the complaints for last month.

Deputy Director Lowrey presented the following Building Inspection Division Performance Measures for June 1, 2014 to June 30, 2014:

• Building Inspections Performed	4807
• Complaints Received	263
• Complaint Response within 24-72 hours	229
• Complaints with 1 <sup>st</sup> Notice of Violation sent	78
• Complaints Received & Abated without NOV	440
• Abated Complaints with Notice of Violations	56
• 2 <sup>nd</sup> Notice of Violations Referred to Code Enforcement	34

Deputy Director Lowrey presented the following Housing Inspection Services Performance Measures for June 1, 2014 to June 30, 2014:

• Housing Inspections Performed	1023
• Complaints Received	366
• Complaint Response in 24-72 hours	362
• Complaints with NOVs issued	121
• Abated Complaints with NOVs	376
• # of Cases Sent to Director's Hearing	39
• Routine Inspections	255

Deputy Director Lowrey presented the following Code Enforcement Services Performance Measures for June 1, 2014 to June 30, 2014:

• # of Cases Sent to Director's Hearing	78
• # of Order of Abatements Issues	24
• # of Cases Under Advisement	16
• # of Cases Abated	99
• # of Cases Referred to BIC-LC	-
• # of Cases Referred to City Attorney	-

6. Update on Joint Building Inspection Commission and Planning Commission meeting.

President McCarthy said that the Joint Meeting is scheduled for October 2, 2014 at 10:00 a.m., and he is hoping that the agenda would be going out soon. He also said that the Planning Department has been accommodating and agreed to hold the first meeting that has been held in many years.

Vice-President Mar said that he was happy that the Joint Meeting was on the docket. He said that he understands that the ACCELA PTS system may be postponed, but even if it is postponed they should still hold the meeting so that the public gets an idea of what the Departments hope to have in the system.

Secretary Harris called for public comment, and there was none.

7. Discussion about DBI options for new office space.

President McCarthy said that everyone was aware of the article in the *S.F. Chronicle*, and he discussed it with Director Hui. Previously there was a personnel problem of not having enough staff, but now that there are more people there is the problem of where to put them.

Vice-President Mar said that all of the Commissioners felt that new offices are needed, but are concerned about the cost and location. They also know it involves other City departments, but they want connectivity to make it easier for customers so they do not have to run all over Civic Center.

President McCarthy said the office area would be 460K square feet, so how much space would DBI have? How many square feet and how much would be commercial space?

Director Hui said that the Department is currently negotiating with the Government Services Agency (GSA) and they are the agency arranging everything. DBI is also still talking about a space study and how much space the inspectors should occupy, how much space is available for plan checkers, and so on. Director Hui said that the goal is to have transparency in the One-Stop like Commissioner Mar mentioned.

Secretary Harris called for public comment, and there was none.

8. Discussion regarding policy changes that DBI made to construction cost valuation after the Crown Terrace incident.

Vice-President Mar said that he wanted to hear from Director Hui about what new policies were implemented, changes made and parameters that staff has gone through. Director Hui said that DBI learned a lot from this incident on what could be improved. Deputy Director of Plan Review Services, Ed Sweeney, developed information sheet G-13 on how to deal with the construction costs that has step-by-step procedures staff has to follow. Construction costs are evaluated and there is also spot check of the staff. Deputy Director of Inspection Services, Dan Lowrey, implemented procedures on how to send inspectors out. G-13 is also posted on the website and there is more staff oversight to make sure proper actions are taken.

Vice-President Mar asked if construction costs are posted, and if the public could go into ACCELA to see them once the system goes live? Director Hui said that the public can see the construction costs in DBI's current Permit Tracking System (PTS).

President McCarthy said that there is a learning curve and the Department has implemented new policies. Director Hui walked him through the process of when people call for inspections, and staff is on the same page regarding the cost valuation. Every plan gets the same treatment and there is transparency, and he has not heard any complaints lately. "Hats off" to the staff for dealing with this issue and there is a strong road map now.

Vice-President Mar thanked Director Hui and said that he is glad that there were policy changes, but he would like DBI to improve management oversight of the construction costs. He also wants the Department to make sure that the construction costs are posted for the public when ACCELA goes live. If people are interested in a project, then they should be able to look at our tracking system to see how much it costs, the scope of work, and so on so that there is more transparency.

9. Commissioner's Questions and Matters.

- a. Inquiries to Staff. At this time, Commissioners may make inquiries to staff regarding various documents, policies, practices, and procedures, which are of interest to the Commission.

There were no inquiries to staff.

- b. Future Meetings/Agendas. At this time, the Commission may discuss and take action to set the date of a Special Meeting and/or determine those items that could be placed on the agenda of the next meeting and other future meetings of the Building Inspection Commission.

Secretary Harris said that the next Commission meeting would be on August 20, 2014.

10. Review and approval of the minutes of the Regular Meeting of April 16, 2014.

***Commissioner Clinch made a motion, seconded by Commissioner McCray, to approve the minutes of April 16, 2014.***

Secretary Harris called for public comment, and there was none.

***The motion carried unanimously.***

**RESOLUTION NO. BIC 034-14**

11. Adjournment.


***Vice-President Mar made a motion, seconded by President McCarthy, that the meeting be adjourned. The motion carried unanimously.***



**RESOLUTION NO. BIC 035 -14**

The meeting was adjourned at 10:12 a.m.

Respectfully submitted,

  
Sonya Harris  
Commission Secretary

<b>SUMMARY OF REQUESTS BY COMMISSIONERS OR FOLLOW UP ITEMS</b>	
Commissioner Lee asked if follow up could be done to check if staff is encouraging owners to legalize their units when complaints come in. – Lee	Page 5