



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

REGULAR MEETING

Wednesday, September 17, 2014 at 9:00 a.m.

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

Aired Live on SFGTV Channel 78

ADOPTED December 17, 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**
Frank Lee, **Commissioner**
James McCray, Jr. **Commissioner**
Debra Walker, **Commissioner**
Sonya Harris, **Secretary**

Warren Mar, **Vice-President**
Kevin Clinch, **Commissioner**
Myrna Melgar, **Commissioner**

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, excused**
Lily Madjus, **Communications Director**

CITY ATTORNEY REPRESENTATIVE

John Malamut, **Deputy City Attorney**

2. President's Announcements.

President McCarthy made the following announcements:

- Congratulations to Director Hui and Jamie Sanbonmatsu of Housing Inspection Services for their well-received presentation on DBI and the Code Enforcement Outreach Program (CEOP) at the San Francisco Apartment Association member's meeting attended by over 150 members this past Monday, September 15th.
- A big thank you to Nancy Gutierrez and Dwayne Farrell of the Records Management Division for helping a customer to research documents. Both were very courteous and helpful, even though it was extremely busy on the floor.

- Congratulations to the Soft Story Program staff Robert Chun, Susie Song, and David Leung on a job-well done in processing over 6,000 screening forms since September 2013. Over 90% of the 6,500 properties identified to qualify in the Soft Story Program have turned in their required Screening Forms, thus taking the first step in getting their property seismically retrofitted. Monday, September 15th was the last day to turn in a Screening form. I also want to recognize Director Hui and William Strawn of the Communications team for the multi-prong outreach effort they conducted in partnership with Patrick Otellini and Micah Hilt of the Earthquake Safety Implementation Program.
 - The Department received a lot of media attention shortly after the Napa earthquake on August 24th, which helped to raise more awareness about the Soft Story Program. This resulted in various interviews with Director Hui that included ABC Channel 7, CBS Channel 5 and KTVU Channel 2.
 - DBI staff will continue to process screening forms as they come in. Property owners who have not yet complied with this requirement should do so as soon as possible to avoid getting a Notice of Violation and penalties on their property.
3. General Public Comment: The BIC will take public comment on matters within the Commission's jurisdiction that are not part of this agenda.

Secretary Harris called for public comment and there was none.

4. Director's Report.
- a. Update on DBI's finances.

Ms. Taras Madison, Chief Financial Officer, gave an update on DBI's finances and discussed the following items:

- DBI ended fiscal year 2013/2014 with a balance of \$27M for a variety of reasons.
- Revenues – First reason is there were revenue increases, for instance DBI collected over \$22M more than was budgeted in revenues and almost all of them did well.
- Highlighted 3 revenue sources in particular: 1) Plan checking revenue came in \$12M over budget, 2) Building permits came in \$3M over budget, and 3) Electrical permits came in \$1M over budget.
- Deferred credit report – DBI collects a lot of funds ahead of time, but staff works on the project and the Department defers some of the revenue. Looking at the summary although DBI has \$22M in revenue there is a net deferred of \$4.4M.
- Actually in FY 13/14 there was \$13M of revenue that should have been sent to the deferred credit report, but in addition to DBI having to move that over there were projects put into the account 2 or 3 years ago that were completed so that money was moved into FY 13/14.
- The surplus revenues are balanced revenues of about \$8M.
- Expenditures – There were savings of \$8M and half of that was attributed to the fact that DBI had \$4M in savings and the Commission was aware that there were vacant positions, and it took a while to fill them.
- DBI has started an aggressive hiring program and is working on filling the vacant positions.

- Services of other departments is an area that DBI does not have a lot of control over the spending, so those are work order funds that were sent to a variety of departments that provide services to DBI.
- Over \$2M goes to the City Attorney, funding goes to the Controller's Office and to DHR for training.
- There was a huge savings of about \$1M and that was attributed to City Attorney savings, so DBI will be working closely with other departments to make sure that we are budgeting correctly so at the end of the year there will not be these types of savings.
- One item that was highlighted was under the capital outlay for DBI's vehicles, because they were ordered in 13/14, but did not arrive until 14/15 so it looks like there is a balance but those numbers are expected to go down.
- The numbers will go down slightly by maybe \$700K or so.
- The Department is confident in saying that the year will be ending with \$27M or \$28M in its balance.

Commissioner's & Staff Question & Answer Discussion:

- President McCarthy asked if the \$12M increase in Plan Check fees was because of volume or staff doing a more efficient job?
- Ms. Madison said the Deferred Credit report identifies projects and this is used to determine where DBI is earning fees, and in this fiscal year there were 6 projects over \$100M vs. last fiscal year that was \$1M, so it is a huge amount of projects and one was \$136M but some of it is efficiency too. Revenue is based on what DBI collected, and the Department received \$12M more.
- Director Hui said that major projects are huge and different than usual. Also Deputy Director Sweeney is in charge of the fifth floor which is a 1-stop shop, and efficient since they issue 80% to 90% of projects over the counter.
- Director Hui said the 7% fee reduction is in place right now, but after the fee study is done then things will be more realistic and the Department will charge accordingly.
- Vice-President Mar said he was glad to hear that hiring permanent staff is a priority, and he asked if the BIC could have a timeline of when the positions would be filled. Department should phase out Proposition F (Prop F) positions.
- Ms. Madison said salaries are still reflected, and DBI hired 17 permanent positions. Part of delay was developing lists and the process of fingerprinting, clearance, etc.
- Ms. Madison thanked all of the hiring managers.
- President McCarthy asked how many Prop F's DBI has? Ms. Madison said there are not many.

b. Update on proposed legislation.

Ms. Lily Madjus, Communications Manager gave an update on proposed legislation and said that on September 15th the Land Use Committee of the Board of Supervisors heard Supervisor Chiu's legislation on short-term rentals. After 6 to 7 hours of public comment, the Committee delayed voting on the legislation since questions came up regarding insurance and so on. Ms. Madjus mentioned that Supervisor Cohen's legislation regarding enhanced ventilation systems was referred back to DBI and the Commission for a public hearing or recommendation. This was sent from the Land Use Committee, so they are looking forward to a response. On the state level, AB-

2128 passed both houses this month and it relates to solar installations and the governor should be signing it by the end of the month.

Vice-President Mar asked if the CAC discussed short-term rentals? Director Hui said yes, but they did not support it. What were the reservations? Director Hui said that historically this fell under section 41-A of the Code and there was no classification change. Planning said that this legislation is under their jurisdiction because short-term rentals need to comply like hotels.

Commissioner Lee said since the CAC heard the item on short-term rentals, he asked if they could be invited to the Joint Meeting.

President McCarthy said that he was interested to hear that the enhanced ventilation systems item would be coming back to DBI and the Commission.

c. Update on major projects.

Director Hui gave an update on major projects and said that it increased by 1% and that was expected due to the Warriors stadium which is a big project, and they want to start construction next year. There are 1,000 units being built in Lake Merced, and in the Bayview TJPA is doing construction also. Permits are stable right now, but with the soft-story work and other legislation coming in there will be a huge increase in the workload, so DBI is trying to hire more staff and engineers.

d. Update on code enforcement.

Deputy Director Dan Lowrey gave an update on code enforcement and presented the following Building Inspection Division Performance Measures and included graphs for August 2014.

Deputy Director Lowrey presented the following Building Inspection Services Performance Measures for August 1, 2014 to August 31, 2014:

• Building Inspections Performed	5070
• Complaints Received	268
• Complaint Response within 24-72 hours	219
• Complaints with 1 st Notice of Violation sent	67
• Complaints Received & Abated without NOV	293
• Abated Complaints with Notice of Violations	50
• 2 nd Notice of Violations Referred to Code Enforcement	27

Deputy Director Lowrey presented the following Housing Inspection Services Performance Measures for August 1, 2014 to August 31, 2014:

• Housing Inspections Performed	978
• Complaints Received	301
• Complaint Response in 24-72 hours	299
• Complaints with NOV's issued	130

• Abated Complaints with NOVs	320
• # of Cases Sent to Director's Hearing	38
• Routine Inspections	235

Deputy Director Lowrey presented the following Code Enforcement Services Performance Measures for August 1, 2014 to August 31, 2014:

• # of Cases Sent to Director's Hearing	95
• # of Order of Abatements Issues	25
• # of Cases Under Advisement	27
• # of Cases Abated	208
• # of Cases referred to BIC-LC	1
• # of Cases Referred to City Attorney	-

Secretary Harris called for public comment on items 4a – d, and there was none.

5. Discussion and possible action regarding ACCELA Permit and Project Tracking System.

Mr. Henry Bartley gave a presentation and update regarding the ACCELA Permit and Project Tracking System, and said that he arrived at the Department of Building Inspection when Director Hui reached out for support recently, and he joined the project full-time the last week of August. The efforts that he has lead since then is really educating where the Department is with the project and how to get to a go live date. Mr. Bartley said that he wants to talk about understanding the timeline, what it currently looks like, and why it is different than the previous timeline. Mr. Bartley said that he would also have questions if he was sitting in the Commissioner's seats, and he discussed the DBI Accela Project Timeline, including the following items:

- Data Conversion: Dev & QA
- Dry Run
- User Acceptance Testing
- Training
- Go-live Preparation
- Post Go-live Support

Commissioner's & Staff Question & Answer Discussion:

- Commissioner Walker said that public transparency and the availability of data are important , and more information should be available for the public. Staffing going forward is a priority.
- Director Hui said that he agreed which is why DBI has a plan and is cross training. Information staff is learning cashiering and vice-verse. Records Management Division asked some staff to go to the 5th floor. Staff will train how to do permits within the Department.
- Vice-President Mar asked if the data conversion was complete? Mr. Bartley said there are open items, scripts are run but some did not end up in the right place. He also said various issues will be addressed between now and October.

- Mr. Bartley said scripts are ready, but data conversion is not done.
- Commissioner Walker said data does not get converted until scripts are approved.
- President McCarthy said one fundamental problem is city processes, and policies are revolving. There are still items that need to go into the new PPTS system, so how difficult is it to add new information?
- Mr. Bartley said ACCELA is a web-based server system and software is designed to make changes. He has been talking to the MIS team that Wilson manages and Oracle evolved over the decade, and fees are in many different places, but in ACCELA all fees are in one location.
- President McCarthy said that legislation such as short-term rentals would need to be put in the system if it passes, so he asked if this could be done with ACCELA?
- Mr. Bartley said that ACCELA developers are able to move boxes around on the user interface, and use a pop-up form and it should be easy to accomplish compared to the old system 10 or 20 years ago.
- Mr. Bartley said that a Support Team has been put in place and Director Hui is the “go to” person, and Ed, Ron, and others are resources dedicated to the MIS team.
- ACCELA 21 Tech is equally committed to make sure that DBI achieves its plan.
- The Project Steering Committee has met every week, including Director Hui, Vice-President Mar, Commissioner Walker, Executive staff, and 21 Tech. Each Friday they meet with Tom’s team and there is good transparency.
- Director Hui gave Ron Tom credit for helping him to trouble shoot on the business side.
- Vice-President Mar said DBI should try to keep with the timeline, and not postpone it. The problem is the business-side and not technology side. When ACCELA first started the previous Director, Vivian Day, was involved and Pamela Levin was involved. He said that was pretty hard on Mr. Sweeney at the last meeting, but he should not have been since he just stepped in. He felt Director Hui should have been more involved from the business side and not just Ed or Ron.
- V.P. Mar said public transparency is an issue because every year there are allegations about people getting permits quickly. The ACCELA system would allow the public to see more clearly what is going on with projects. Responsibility was on the Commission too because they got reports each month, but did not pay close attention. There is a public perception of how DBI is run and management “dropped the ball” on this.
- Mr. Sweeney said he echoes the above concerns, but DBI is constantly trying to be supportive of improving processes. Each year PPTS has a problem and there is frustration due to the long history of the project. Delivering services fairly and equitably is the goal and Q-Matic worked in other businesses but not at DBI.
- Commissioner Walker said ACCELA offers the above and she is nervous about a 2-month delay, on top of a 10-year delay. She is confident with the new timeline of Dec 8 – Go Live date.
- Mr. Bartley said that he shares the urgency of getting the system delivered on time.
- President McCarthy mentioned 21 Tech team are in position of “be all and end all” since this is the biggest boom in the industry, and they are trying to get a new system going. In January there will be complaints about delays due to the new system, so will there be people in place explaining the process?
- Mr. Bartley said yes there would be and DBI will try a few things, including holding a public meeting to demonstrate access to the system.

- President McCarthy stated that he does not want the trainers training the trainees, so the 21 Tech team needs to step up implementation in January and be available if needed.

6. 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.

Commissioner Lee said if short-term rentals are going to be discussed at the Joint Meeting, then the CAC staff should be asked to attend.

Commissioner Melgar said that Supervisor Wiener introduced legislation as an incentive for property owners to do seismic retrofitting, and if they do then they could add units within the envelope. This raises questions for the BIC and Planning.

Commissioner Walker requested that someone come to the next regular BIC meeting to discuss the above legislation.

Vice-President Mar said that he wanted to invite ACCELA and 21 Tech to attend the Joint BIC and Planning Commission meeting.

- 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 regular BIC meeting would be on October 15th and the Joint Planning Commission and Building Inspection Commission meeting is scheduled for October 2nd.

7. Review and approval of the minutes of the Regular Meeting of June 18, 2014.

Commissioner Walker made a motion, seconded by Commissioner Melgar, to approve the minutes of the Regular Meeting of June 18, 2014. The motion carried unanimously.

Secretary Harris called for public comment and there was none.

RESOLUTION NO. BIC 041-14

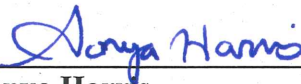
8. Adjournment.

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

RESOLUTION NO. BIC 042-14

The meeting was adjourned at 10:18 a.m.

Respectfully submitted,


Sonya Harris
Commission Secretary

SUMMARY OF REQUESTS BY COMMISSIONERS OR FOLLOW UP ITEMS	
Requested a timeline of when the vacant positions at DBI would be filled. – Mar	Page 3
Invite the Code Advisory Committee (CAC) representative to the Joint Meeting to discuss their decision regarding short-term rentals. – Lee	Page 4, 7
Invite someone to attend BIC to discuss Supervisor Wiener's new legislation regarding incentive to do seismic retrofitting, and add units within the envelope. – Melgar, Walker	Page 7
Invite ACCELA and 21 Tech to attend the Joint BIC and Planning Commission meeting. – Mar	Page 7