



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

**REGULAR MEETING**

**Wednesday, April 17, 2013 at 11:45 a.m.**

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

**Aired Live on SFGTV Channel 78**

**ADOPTED June 19, 2013**

**MINUTES**

The regular meeting of the Building Inspection Commission was called to order at 10:04 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, excused**

Sonya Harris, **Secretary**

Warren Mar, **Vice-President**

Kevin Clinch, **Commissioner**

Myrna Melgar, **Commissioner**

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

Tom Hui, **Acting Director, excused**

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

Pamela Levin, **Deputy Director, Administrative Services**

William Strawn, **Communications Manager**

Hema Nekkanti, **IS Project Director**

**CITY ATTORNEY REPRESENTATIVE**

John Malamut, **Deputy City Attorney**

**2. President's Announcements.**

President McCarthy said that due to time constraints he would like to continue Item #'s 7, 8 and 9 until the next regular meeting. The Commissioners agreed.

President McCarthy announced that DBI would once again have a booth at the Cinco de Mayo celebration in Dolores Park on May 4, 2013 from 10:00 a.m. until 6:00 p.m. and encouraged everyone to stop by.

President McCarthy said that Acting Director Tom Hui informed him that the number of issued crane permits for larger projects jumped from 26 in January to the current number of 34 which is a 24% increase. President McCarthy said that the Mayor uses this number to demonstrate how robust the construction industry is in San Francisco.

President McCarthy said that DBI Senior Inspector Tom Venizelos and District Inspector Mark Walls continue to work with the recovery team in the West Portal neighborhood where a water main broke at the end of February; at that time, DBI Inspectors red tagged three buildings and yellow tagged three more. President McCarthy stated that there is an information center that has opened at 383 West Portal on Tuesdays and Thursdays from 3:00 p.m. to 5:00 p.m. to respond to neighbor's questions. President McCarthy said that Acting Director Hui briefed the Mayor on this issue on Monday and thanked the Department for all its hard work as this was not an easy emergency. President McCarthy gave special thanks to DBI employees from Plan Review Services and Acting Director Hui.

President McCarthy stated that *Chronicle* columnist C.W. Nevius published a story last week about the property owner of 308 Turk Street who has hundreds of building and housing code violations and whose failure to pay City cost assessments have resulted in the cost increasing by more than 75%. President McCarthy said that this property owner owes the City over \$38,000 and said that hopefully this article will motivate the owner to correct the violations and improve the poor living conditions the tenants are living with.

President McCarthy congratulated Christina Wang as the first recipient of the DBI Employee of Quarter award. President McCarthy said that there were six nominations and Christina was chosen after three rounds of voting. President McCarthy said that Christina was nominated by Catherine Byrd and called them both forward for the presentation of a plaque to Christina. Vice-President Mar thanked all of the DBI employees who participated in this process and said that there was a very good showing from all of the divisions. Vice-President Mar stated that he would be hosting a lunch in Christina's honor and in keeping with City policy said that no Department funds would be used. Vice-President Mar said that he would encourage other Commissioners to step up and do the same for the coming quarters. President McCarthy encouraged all DBI employees to help with this process by nominating candidates for the next quarter by June 3, 2013.

President McCarthy asked Bill Strawn of DBI's Public Information to speak on the 107<sup>th</sup> civic ceremony to take place commemorating the 1906 Earthquake. Mr. Strawn said that a ceremony will take place at Lotta's Fountain on April 18<sup>th</sup> to commemorate the earthquake. Mr. Strawn stated that the CAPSS program made a lot of recommendations that are now leading to the new legislation that has just passed for the mandatory retrofit of soft story building and said that this legislation is going to be signed by the Mayor tomorrow morning at Lotta's fountain. Mr. Strawn said that this legislation will officially take place and the signing will start the 60-day notification clock at which point the Mayor's Director of Earthquake Safety and DBI will begin notifying owners of these types of buildings as to what is going to happen next.

Secretary Harris called for public comment on this item. There was none.

**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. Election of BIC President and Vice-President.**

*Commissioner Lee said that this past year has gone very well and said that all of the Commissioners have been working very well together and in that spirit would like to nominate Commissioner McCarthy and Commissioner Mar to continue as President and Vice-President respectively. Commissioner Clinch said he would second the nomination as there has been very good leadership over the past year. The Commissioners voted as follows:*

<b>President McCarthy</b>	<b>Aye</b>
<b>Vice-President Mar</b>	<b>Aye</b>
<b>Commissioner Clinch</b>	<b>Aye</b>
<b>Commissioner Lee</b>	<b>Aye</b>
<b>Commissioner McCray</b>	<b>Aye</b>
<b>Commissioner Melgar</b>	<b>Aye</b>

*The motion carried unanimously.*

### **RESOLUTION NO. BIC 018-13**

Secretary Harris congratulated the two officers.

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

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

Deputy Director of Administrative Services Pamela Levin gave the following financial report:

- Project a balance at end of year of \$14.96M
- \$13.96M from Revenues; \$2M from Expenditures
- Revenue is over budget for Interest and Investments due to size of fund balance and in charges for services. 112% greater than budgeted
- Apartment Rental and Hotel license fees are not final; Due in April with property tax
- Comparison between previous fiscal year through March and this fiscal year for March, Revenues 21.02% higher due to evaluation of issued permits being 46% greater than last year
- Greatest Expenditure is personnel
- Right now DBI is at approximately 61% whereas the year passed is 75%
- Filling as many positions as possible
- Offers made for 3 Chief Building Inspection (promotions within DBI)
- Hired 7 Building Inspectors
- Hired Summer Engineering Student Interns
- 78 people took test for Housing Inspectors
- Interviewing for 11 Housing Inspectors (Several are provisional in DBI providing for net gain of 6)
- Looking to hire Senior Building Inspectors, Engineers, Principle Clerks and Plumbing Inspectors
- Year End projection of approximately \$40M (\$29M Fund Balance + \$10M)
- Need funding set aside to have sufficient funding in Deferred Credits

Ms. Levin said that she was turning the meeting over to Heather McDonald of the Controller's Office. Ms. Levin thanked Ms. McDonald and Chava Kronenberg of the Controller's Office along with Gayle Revels of DBI for their work on a report to recommend an economic stabilization reserve for DBI.

Ms. McDonald said that she was with the Auditor's Division of the Controller's Office and said that the Controller's Office was engaged to conduct a financial analysis to recommend an economic stabilization reserve as well as strategic one time investments in the fund balance due to the cyclical nature of the construction industry. Ms. McDonald presented the Report and highlighted the following points:

- **Project Objectives**
  - ✓ Provide recommendations for a targeted economic stabilization reserve level and other strategic uses of fund balance
- **Project Methodology**
  - ✓ Data analysis
    - Historical cyclical and stable revenues
    - Historical expenditures
    - Permits and forms
    - Staffing hours
    - Deferred credits
  - ✓ Benchmarking analysis of California Building Inspection agencies' reserve levels
  - ✓ Document review
- **Findings & Recommendations**
  - ✓ Create an economic stabilization reserve level of four months' of operating expenses.
  - ✓ Invest the remaining surplus in strategic one-time capital investments over the next few fiscal years.
  - ✓ Increase staffing levels to better meet current workloads.
  - ✓ Conduct a fee study to ensure various department services remained aligned with assessed fee levels.
- **Recommendation #1: Create an economic stabilization reserve**

Ms. McDonald reported that the Controller's Office was recommending that DBI keep a reserve of four months operating budget in order to keep staffing and service at an acceptable level due to the cyclical nature of the construction industry. Ms. McDonald said that if DBI had maintained \$14M in reserve for 2009-2011 there would have been enough funds to cover the downturn in plan checking and inspections. Ms. McDonald said that the Controller's Office did comparisons with other cities around the state and found that the standard is one to six months of reserve.

- **Recommendation #2: Make strategic one-time capital investments**
  - ✓ 1660 Mission Tenant Improvements \$4M
  - ✓ Fleet Replacement \$3.5M
  - ✓ Generator Replacement/Upgrade \$1.5M
  - ✓ Elevator Upgrade \$1M
  - ✓ Repair & Demolition Fund Transfer \$1M
  - ✓ Phone Replacement \$400K

✓ Mobile Devices for Inspectors	\$140K
✓ Fee Study	\$100-\$200K
✓ Building Expansion	\$10-\$15M
✓ Electric Vehicle Charging Stations	\$900K-\$1.45M
✓ Low Income Loans for Code Enforcement	\$700K-\$1M
✓ Capital Plan Study	\$100K-\$200K
✓ New Parking Lot	TBD
✓ Staffing Analysis	\$50K-\$100K
✓ Bike Room Upgrade	\$50K-\$75K
✓ Solar Paneling on Roof	\$800K-\$1M
✓ LEED Existing Building Certification	\$350K-\$1.35M
<b>Total Estimated One-Time Investments</b>	<b>\$25M-\$32M</b>

- **Recommendation #3: Increase staffing levels to better meet current workloads**
- **Recommendation #4: Conduct a fee study**
  - ✓ DBI should conduct a fee study every five years to ensure that various department services remain aligned with assessed fee levels.
- **Next Steps for DBI**
  - Incorporate economic stabilization reserve and capital investments in future budgets.
  - Work with Capital Planning to strategically plan for capital investments.
  - Conduct fee study by end of next fiscal year.

Commissioner Melgar and President McCarthy thanked the Controller’s Office for this excellent and clear presentation.

**b. Update on proposed legislation.**

Mr. Bill Strawn of Legislative and Public Affairs said that the mandatory soft story legislation did pass unanimously 11-0 at the Board and the Mayor will sign it tomorrow and DBI is off to the implementation stage of that one.

Mr. Strawn said that the grab bar legislation was passed and recently signed by the Mayor. Mr. Strawn said that Chief Housing Inspector Rosemary Bosque has put together notification material that will be on the way to the owners of the SRO buildings and will incorporate some of the Mayor’s Office of Disability recommendations on how to install them per this Commission’s recommendation; if the owners act in the next sixty days DBI will wave those building permit fees for the grab bar installations. Mr. Strawn stated that anything after that sixty day period will be subject to normal DBI fees.

Mr. Strawn said that Supervisor Tang’s reintroduction of the awning replacing during the month of May was on today’s agenda. Mr. Strawn said that this was done last year to encourage small businesses to replace and refresh their business look; last year there were about ten permits that came in during that fee waiver period. Mr. Strawn said that he hoped that there would be more advanced preparation for this with an opportunity for the Supervisor’s office and himself to do more outreach so that small business are aware of this opportunity during the Month of May. Mr. Strawn announced that DBI are observing Small Business Awareness month as well as Building

Safety month during May as is done every year.

Mr. Strawn said that the City Attorney is coming up with another version on the toxic legislation based on input from DBI, DPH, the PUC and DPW; essentially this will expand the zone for these projects beyond just the perimeter that was in place for many years. Mr. Strawn stated that the challenge will be to identify when a project is in this Maher area and the project owner is then going to have to go to DPH to make sure their toxicity levels in the soil and ground water meet DPH standards; DPH is going to release the letter to the Director of DBI so DBI can then issue whatever permit the Department might be reviewing on any specific block. Mr. Strawn said that the mandatory soft story retrofit work might disturb cubic yard soil which is a key trigger for this DPH review and DBI is anticipating that this could increase the volume of reviews by DPH significantly as well as Planning so DBI has asked DPH to ensure that they have sufficient staffing to deal with this. Mr. Strawn stated that the Acting Director has made a suggestion that DPH have personnel at DBI to sign off as one of the workstations in order to expedite those types of review. Mr. Strawn said that this should come back to the BIC probably in May and then it would take effect the middle of July.

Mr. Strawn reported on Supervisor Chiu's legislation on bottle filling stations will apply only to new construction, but said that the building code required, depending on the occupancy load, a certain number of water fountains to provide water to people and they must be accessible according to disability requirements. Mr. Strawn said that Supervisor Chiu's legislation requires a combination installation that allows for drinking water and the ability to fill a bottle in order to eliminate plastic water bottles from landfills. Mr. Strawn said that the Supervisor's goal is to have this take place on July 1<sup>st</sup>.

**c. Update on Permit Tracking System.**

Acting Director Tom Hui said that unfortunately DBI's MIS Manager was not present due to a family emergency so he would be giving just a brief update. Mr. Hui stated that the new system is under way and on time. Mr. Hui said that testing is being done on the devices for the Inspectors; one option is a Samsung phone and the other is a notebook and when comments are submitted all of the Inspectors will be using a new device. Mr. Hui said a more detailed report would be given next month.

**d. Update on major projects.**

Acting Director Tom Hui said that the City has roughly 34 cranes in town right now and said that there are still projects coming in. Mr. Hui said that the Department is gearing up for projects coming in as a result of the mandatory soft-story ordinance as there is a time limit of one year for the Department to get organized and to distribute information to the public. Mr. Hui stated that DBI is staffing up on plan checkers, clerks and inspectors for those special tasks. President McCarthy asked Acting Director Hui to let the Commission know if DBI is not getting the staff needed for these tasks.

There was no public comment on the Director's report.

President McCarthy announced that the City Attorney present for item #13 would have to leave

shortly and asked if item #13 could be moved forward. After much discussion it was decided to hear item #6 and then move up item #13.

**6. Discussion and possible action regarding proposed ordinance (File No. 130284) recognizing Small Business Month in May 2013; amending the Planning Code, Sections 302, 355(a), and 355(e); and amending Building Code, Tables 1A-A, and 1A-E, to waive fees for the month of May for certain façade improvements; and making findings, including environmental findings and findings of consistency with the General Plan and priority policies of Planning Code, Section 101.1.**

Diana Keyson of Supervisor Katy Tang’s office said that this ordinance was being introduced in recognition of Small Business Month. Ms. Keyson stated that this ordinance passed last year and ten fee waivers were granted so the Supervisor’s office is expecting to do additional outreach this month in preparation for May to make sure that those numbers increase and that the small business owners are educated around replacing awnings, lighting and signs. Ms. Keyson said that she had supplied the Commissioners with a packet of draft information that would be sent to the small business and said that they would be reproduced in English, Spanish and Chinese. Commissioner Melgar asked if the information regarding this ordinance would be on Supervisor’s website. Ms. Keyson answered that it would be. Vice-President Mar recommended that all of the Supervisors advertize this ordinance in their districts so that more small businesses would take advantage of the fee waiver. President McCarthy asked Ms. Keyson to give the Commission’s best to new Supervisor Tang.

There was no public comment.

*Commissioner Lee made a motion, seconded by Commissioner Mar, to approve the proposed legislation. The Commissioners voted as follows.*

<b>President McCarthy</b>	<b>Aye</b>
<b>Vice-President Mar</b>	<b>Aye</b>
<b>Commissioner Clinch</b>	<b>Aye</b>
<b>Commissioner Lee</b>	<b>Aye</b>
<b>Commissioner McCray</b>	<b>Aye</b>
<b>Commissioner Melgar</b>	<b>Aye</b>

*The motion carried unanimously.*

**RESOLUTION NO. BIC 019-13**

President McCarthy announced that the Commission would now move to item #13 as previously discussed.

**13. CLOSED SESSION:** Pursuant to Government Code Section 54956.9(c) and the San Francisco Administrative Code Section 67.10(d)(2).

- a. Public Comment on all matters pertaining to the Closed Session.

There was no public comment.

- b. Possible Action to convene a Closed Session.

*Commissioner Lee made a motion, seconded by President McCarthy, that the Commission convene to Closed Session. The motion carried unanimously.*

**RESOLUTION NO. BIC 020-13**

The Commission went into Closed Session at 12:25 p.m.

- c. CONFERENCE WITH LEGAL COUNSEL  
Investigation and/or Litigation:  
As plaintiff: 76 cases  
Monitored 8 cases  
As defendant: 0 cases  
Review and possible action regarding Department of Building Inspection’s referrals to the City Attorney’s Office from the CED/HIS and DAD Divisions.
- d. Reconvene in Open Session to vote on whether to disclose any or all discussions held in Closed Session (Administrative Code Section 67.12 (a)) and to disclose any direction or approval given to the City Attorney to prosecute a case (Administrative Code Section 67.12(b)).

The Commissioners returned to the meeting at 1:05 p.m.

*Commissioner McCray made a motion, seconded by Commissioner Melgar, that the Commission reconvene in open session and not disclose what was discussed in Closed Session. The motion carried unanimously.*

**RESOLUTION NO. BIC 021-13**

**10. 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 questions for the 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 stated that the next regular meeting of the Building Inspection Commission would be on May 15, 2013.

There was no public comment for this item.



**11. Review and approval of the minutes of the Special Meeting of February 7, 2013.**

There was no public comment.

*Commissioner McCray made a motion, seconded by Commissioner Melgar, that the minutes be approved. The motion carried unanimously.*

**RESOLUTION NO. BIC 022-13**

**12. Review and approval of the minutes of the Regular Meeting of February 20, 2013.**

There was no public comment.

*Commissioner Lee made a motion, seconded by Vice-President Mar, that the minutes be approved. The motion carried unanimously.*

**RESOLUTION NO. BIC 023-13**

**13. Adjournment.**

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

**RESOLUTION NO. BIC 024-13**

**The meeting was adjourned at 1:10 p.m.**

Respectfully submitted,

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**Ann Aherne**  
**Commission Secretary (Retired)**

<b>SUMMARY OF REQUESTS BY COMMISSIONERS OR FOLLOW UP ITEMS</b>	
Continue Agenda Item #'s 7, 8 and 9 until next meeting. – President McCarthy	Page 1
Department to have a more detailed report on the PTS for May's BIC Meeting. – Acting Director Hui	Page 6