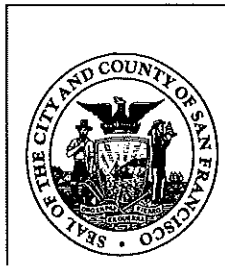


***BIC Regular Meeting
of
May 17, 2017***

Agenda Item 18



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

REGULAR MEETING

Wednesday, January 18, 2017 at 10:30 a.m.

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

Aired Live on SFGTV Channel 78

DRAFT MINUTES

The regular meeting of the Building Inspection Commission was called to order at 10:50 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**
Kevin Clinch, **Commissioner**
John Konstin, **Commissioner**
James Warshell, **Commissioner**

Debra Walker, **Vice-President**
Gail Gilman, **Commissioner**
Frank Lee, **Commissioner**

Sonya Harris, **Secretary**

D.B.I. REPRESENTATIVES:

Tom Hui, **Director**
Ron Tom, **Assistant Director**
Edward Sweeney, **Deputy Director, Permit Services**
Dan Lowrey, **Deputy Director, Inspection Services**
Taras Madison, **Chief Financial Officer**
Rosemary Bosque, **Chief Housing Inspector**
William Strawn, **Legislative and Public Affairs Manager**
Lily Madjus, **Communications Director**
Annie Chow, **Assistant Secretary**

CITY ATTORNEY REPRESENTATIVE

John Malamut, **Deputy City Attorney**

2. President's Announcements.

President McCarthy made the following announcements:

- To start off the meeting, I would like to wish everyone a Happy New Year and Welcome to the January 2017 Building Inspection Commission meeting. My announcements will be

brief today, but the Commission wanted to acknowledge the staff who received thank you letters.

- A big thank you goes out to Ed Sweeney of Plan Review Services, who received a thank you letter for helping a customer to get his construction permit approved. The customer thanked Mr. Sweeney and said, “He was inspired and encouraged and glad to know that San Francisco city office has such dedication and commitment to the public and its citizens.”
 - Also, thanks to Joe Duffy of Inspection Services, who received a letter from a tenant for taking the time to help him with a complaint that was actually for DPW regarding a potential for some wood planks becoming a danger during the upcoming storm. The customer said “This is an example of a City of San Francisco employee going above and beyond his duty to try and address a City resident’s concern in a timely fashion.”
 - With the holidays now behind us, let’s go right to the next agenda item.
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 general public comment.

4. 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 Gilman mentioned that Supervisor Peskin’s SRO legislation was moving forward, and would be heard at the Land Use Committee on Monday. After it becomes law, she requested that the Commission get a full briefing at the next meeting in order to understand the changes that the legislation is making.

- 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 would be held on February 15, 2017.

5. Discussion on Accela permit and project tracking system.

Mr. Shawn Bulen, Project Manager, gave an update on Accela permit and project tracking system and discussed the following items:

- Activities completed this period
 - 1. Received DBI executive team approval of the Project Governance Model

2. DBI completed their review of the Fit-Gap Analysis and provided feedback to Accela
 3. Organizational Change Management approach and detailed plan drafted
- Activities In Progress
 1. DBI is continuing the work with Accela to finalize scope, budget and timeline
 2. Continue draft the statement of work (SOW) and contract amendment for the re-start of the project
 3. Continue socializing Project Governance Model with external stakeholders
 4. Internal review of Organizational Change Management approach and detailed plan
 - Activities Beginning in the Next 30 Days
 1. Review draft SOW and contract with stakeholders
 - Risks
 - Schedule: No Issues
 - Deliverables: No Issues
 - Resource Access: No Issues
 - DBI Action Needed to Address Risks
 - None
 - Key Upcoming DBI Activities
 - Prepare contract amendment for project re-launch
 - Review results of fit-gap analysis with DBI business users

Mr. Bulen mentioned the Fit-Gap Analysis and said that these are the requirements and the Department had Accela to come back and say what they can and cannot meet. Organization Change Management Plan (OCM). DBI and Accela going into this with “eyes wide open”, and the Fit-Gap means what the Department is getting and not getting. Negotiations are ongoing and they are wrapping up the contract and statement of work.

Commissioner’s & Staff Question & Answer Discussion:

- Commissioner Walker asked when the Department would have a path forward and how long would it take? Mr. Bulen said the path forward should begin next month, and once the real dollar figure is known, then they will know the path forward. – They are trying to keep the dollar figures low.
- Commissioner Warshell stated that DBI has a complicated system, and more information than the Planning Department. He asked how many items did the Planning system have? DBI has 2,077 items. Mr. Bulen said Planning processes are simpler (About 20% of DBI’s scope)
- Mr. Bulen said that DBI is pushing Accela’s limits, simply due to the legislation that has passed in S.F.

Secretary Harris called for public comment.

Mr. Jerry Dratler said that 70 requirements were out of scope, and he asked if any were critical to DBI’s operation?

Mr. Bulen said that all requirements are in the current delivery plan. Delivery is at 80% now, and others are in Phase II or Phase III.

President McCarthy asked if any items were critical – purpose of this week’s business?

Mr. Bulen said they need a discussion with the business end, for example Accela does not capture comments after inspections. He did not think this was critical, but he would let the business weigh in. This is within the realm of give and take. Could DBI go live with 80%? – It is a possibility, but not sure because business needs to resume.

6. Discussion and update regarding DBI’s policies and procedures regarding artist warehouse living space.

Vice-President Walker said that this is an issue that has come before the public and DBI has some programs that are assisting with tenant displacement. The BIC wanted to make sure that the departments that are involved with this process come and talk to the Commission about their processes, and see what could be done with making advances and finding a resolution to some of these problems to try to secure housing.

There was an extensive presentation regarding DBI’s policies and procedures regarding artist warehouse living space. The presentation included speakers from various departments, including the Department of Building Inspection (DBI), the Fire Department, and the Planning Department.

Dan Lowrey, Deputy Director of Inspection Services, presented the following information regarding the Code Enforcement Process on behalf of DBI:

- Action Steps by DBI
 - DBI’s mandate is to ensure safety of residents in buildings throughout the City. Safety remains our number one priority.
 - Recent inspections are the result of complaints/referrals received by the DBI and/or City Attorney led task force inspections.
 - Since December 2, DBI has received nine complaints/referrals of possible safety hazard conditions in warehouses.
 - Attended an educational workshop held by artist community with Fire Department on January 3.
- Working with Owners/Tenants
 - Asking owners to visit us at 1660 Mission if they have questions on how they can address safety issues on their property.
 - Recommending that owners consult with third-party contractors to inspect and address life safety issues.
 - Sending Code Enforcement Outreach Program partners to sites before code enforcement inspections occur to help tenants.
 - Working with owners to bring their buildings into compliance (as applicable).
- Presented A Chart of the Code Enforcement Process, which Included the following items:
 - Complaint (*Initiated by public or referral)
 - Systematic Enforcement (*Initiated by Code)
 - Inspection
 - Code Enforcement Outreach

- Notice of Violation
- Obtain Permit(s) If Required
- Emergency Order
- Reinspection
- Director’s Hearing
- Abated?
- Order Issued
- Assessment of Cost
- Franchise Tax Board
- Litigation Committee
- Citations
- City Attorney
- District Attorney
- Abatement

- Working Closely with City Partners
 - Working with other departments on a Citywide coordinated effort to reach out to residents who may be living in hazardous conditions in need of abatement.
 - Coordinating with Fire Department, along with our CEOP partners, on a more proactive, joint Fire Safety Outreach program.

Dan De Cosio, Fire Marshal, discussed the background scope and authority of the Fire Department regarding warehouses:

- The Fire Department’s authority comes from the Health & Safety Code.
- Fire Department occupancies are: A, E, I, R, L, C, & High-Rise.
- R3 buildings are inspected by DBI.
- S, M, and B do not fall under Fire.
- Fire conducts inspections any time permits are pulled for construction.
- A permit is needed for public assembly.
- Fire does annual inspections of R1 and R2 buildings.
- 5,000 units are inspected, 9 units or greater.
- Fire inspects all high-rises and schools annually.
- Jails are inspected every 2 years.
- Fire responds to complaints and also does inspections.
- Warehouse/Storage facility or brand new access. – Fire Department access or storage only, the rest are up to DBI.
- Are warehouses safe? Yes, when used as designed and permitted.
- Need safe design, submit plans, and comply with Code.
- Fire has received 15 complaints. Received 12 referrals from DBI.
- Fire issued 3 orders to vacate.
- Fire Department cannot be less restrictive than the National Code.
- If there is an unsafe building, then people cannot reside there.
- Storage facility to public facility or assembly, then it is hazardous.
- Hazardous exiting, deficient cannot get out of building.
- All 3 orders to vacate were abated, and they worked with the City Attorney’s office.
- Fire wants to be fair and consistent, but the first mandate is to keep people safe.

- If event in building and cannot get out if there was a fire equals a problem.
- He understands people get displaced, but safety is the main goal.

Commissioner Walker mentioned the order to vacate because of assembly use or residence.

Mr. De Cosio discussed two cases:

First Case – One assembly and residential above. Occupant load factor can change, depending on the number people who could get in and out. If there was an illegal change of use, the Fire Department assumes it was unsafe.

Second Case – Involved ten Styrofoam beds, exposed wiring, and bars on windows. In a fire smoke overcomes people and they cannot see the door.

Commissioner's & Staff Question & Answer Discussion:

- Commissioner Gilman asked if it would help if there was a substantial increase in the Code enforcement program?
- Mr. De Cosio said what concerns the Fire Department is what they do not know. Issuing a new CTO for a building change of use is a challenge. Building, Fire, and Planning Departments are working together and have a Task Force group. The goal is to minimize displacement of people as much as possible.
- President McCarthy asked if 15 complaints this year was normal?
- Mr. De Cosio said that Fire does not normally get complaints, maybe 2 per year but there was an increase in complaints after the Ghost Ship fire. Fire Department received 3 complaints, and one engine responded to a medical complaint. One arson team went out, and saw something that did not look right.
- President McCarthy said that some buildings in S.F. have existed for years, so is the Fire Department more aggressive now than they were in the past? He understands that people are trying to protect their way of life.
- Mr. De Cosio said that his mindset has not changed at all. If occupants are in danger, then the Fire department needs to remedy the problem.
- President McCarthy said that there is an opportunity for people to misuse the complaint system.
- Mr. De Cosio said that there is case by case review done by the Captain, Fire Marshal, and assistants.
- Vice-President Walker said that the BIC wants to make sure that the Code Enforcement Outreach Program (CEOP) at DBI is available, since the issue of displacement needs to be addressed. There are laws protecting people. Mostly illegal residential occupancy – Goal is to keep them and legalize buildings. HIS uses CEOP successfully to help with tenancy issues.
- Mr. De Cosio said that it is a collaborative effort.
- Commissioner Warshell complimented Mr. De Cosio for the Fire Department's hard work on this, and said that he was glad that DBI actively participated. DBI is doing this with minimum displacement. Small number of residents were killed, more were visitors at the Ghost Ship event. He asked if the right path has been found involving the Entertainment Commission? Any death is tragic, and this was large numbers of people.

- Mr. De Cosio said that the closest relationship is with DBI and it can improve with the Entertainment Commission.
- President McCarthy said that the Code Enforcement Outreach team is working well with hoarding and other issues as well.
- Mr. De Cosio said that the Fire Department is working on it, and developing a program. He wanted to be careful not to give a false sense of security. Not adding that increase with fire exits/alarms. The goal of safety is good, but a step forward needs to be taken with change of use.

Dan Sider of the Planning Department discussed the following points:

- Highlighted a significant policy shift in default.
- Staff has seen dwelling units with no permits, and in the past they may have gotten rid of the buildings but now they try to find a way to maintain the space.
- Artists and other people have found challenges in the housing market.
- It is the Planning Department's duty to creatively explore options, and they are working closely with DBI and Fire.

Commissioner Gilman asked if Mr. Sider has found that landlords want to partner with Departments to bring buildings up to Code? Tenants should have recourse.

Mr. Sider said that there are a range of owners, and some engage with the City and some speak the opposite.

Commissioner Walker asked about the current requirements of Conditional Use (CU) – If the owner wishes to remove illegal units, does staff disclose the use such as artist assembly, etc.? Does the Planning Commission consider this?

Mr. Sider said that all things are considered when Planning Commissioners are making decisions.

Commissioner Walker asked if there was an opportunity to do a temporary change of use?

Mr. Sider said that under today's Planning Code particular types of temporary changes of use, such as entertainment. Artist work space or living quarters under today's Planning code is not existing, but he is interested in exploring legislation.

President McCarthy asked about the temporary approval process?

Mr. Sider said the Code enforcement process uses this for a once a month entertainment function, and it is an Over The Counter (OTC) permit.

Vice-President Walker said that a Task Force would be put together.

Chief Housing Inspector, Rosemary Bosque, said that there is a path forward which involves safety issues, and regulatory agencies are required to write up/cite buildings with problems. Ms. Bosque also discussed the following items:

- Better framework for documenting imminent hazards vs. other hazards.
- If they are not done to Code, some things are hazardous on its face.

- Mayor’s Directive is to try to preserve housing.
- Need to address Code for some type of temporary housing.
- All Departments/divisions are working together to mitigate use of buildings, etc.

Commissioner Warshell said that the Directors, Board of Supervisors, and Mayor want to maintain housing, but safety is important.

Commissioner Lee said that trying to legalize an illegal use of a building is complicated.

Vice-President Walker said that CEOP can go out as the first wave to advise owners and tenants.

Secretary Harris called for public comment.

Mr. Tommi Avicolti Mecca of the Housing Rights Committee made the following comments:

- As someone who has been talking to the tenants in Oakland following this tragedy, the City has created absolute terror, and this makes people afraid to come forward.
- Through these inspections that have happened people are afraid to cooperate with the City and agencies because they do not want to get displaced, lose their home and their art space.
- If they are living in these spaces, they are more likely to hide and afraid to come forward. The City needs to work hard to make people feel safe and that they are not going to lose their homes and art spaces.
- One way the City can do that is to work with tenant advocates, since they do have the people’s trust.
- When HRC and tenant advocates went to the Inspection at 950 Peralta Street DBI, Fire, and the Planning department were there. By the advocates being there, they felt safe and more protected since they were there to advise them of what their rights were.
- The above created an atmosphere of safety that was vital to that inspection.
- Encouraged the Departments to work together, and bring CEOP in also to help stop displacement. They are the people on the ground, and tenants trust them.
- Need to think of the long term solutions of how to make it safe for people to come forward.
- The reality is that people are going to continue living in warehouses.
- He referenced the *S.F. Examiner* article and said that he did not think it was cool what happened with the Fire Department going in and issuing orders to vacate last week. This made people really scared, and HRC got phone calls afterwards.

Ms. Depa Varma from the S.F. Tenant’s Union made the following comments:

- She thanked the Fire Department and others who work to make people safe.
- Her first apartment was in an illegal warehouse space, and many friends have lost their homes in the wake of this tragedy.
- Tenants come to them for help and are terrified, so they do not want to let inspectors in to see what is going on.
- Of course these tenants care about their own safety, and many lost friends and roommates in the Ghost Ship fire, and they want to be safe but not homeless.
- As Chief Bosque mentioned, the difference between immediate hazards and long term hazards is a real one.
- In the Ghost ship fire there was a single staircase that was made out of pallets and burned

in minutes. There were no lighted exit signs. This was a totally different situation that many other warehouses. If Inspectors were let in they would have known about this.

- Hopefully they can work together to bring tenants in to protect their own tenancies and not lose apartment spaces.
- There is a way to work together to help tenants keep their space.
- They want to make sure that S.F. does not lose what is left of the artist population.

Mr. Mark Vinee made the following comments:

- He said that he wanted to put a little historical perspective on this issue and he is an attorney who has dealt with artists. He has his law degree from Hastings and graduated in 1974. He moved into 1209 Howard Street, which was an illegal warehouse and stayed there until 1989.
- At that point he could afford an apartment in Pacific Heights because they were about \$400 a month, but he chose to live in a warehouse because he had an Arts background. He helped to later buy one of the better live-work spaces.
- 992 Peralta – He has been on 3 City Attorney Code Enforcement Task Force inspections in the last 15 years, and this is an 18 year old artist cooperative. Some artists have lived there over 15 years – Ringo is now a famous artist, Barry McGee lives there, along with a bunch of other people.
- In 2006 the above were having a lot of problems with the City so he was brought in. Typically on a Code Enforcement Task Force inspection all departments are brought in: Fire, DBI, Planning, City Attorney, etc. They found nothing wrong but there were some toxic items in the backyard that have been cleaned out.
- In 2010 there was another Task Force inspection. He represents Slim’s Great American Music Hall and lots of assembly permitted occupancies up to 1,000 people and he knows how to do that.
- There was a clear path of travel, battery exit signs, battery packs in all of the bathrooms in case the power dumped. Unlike with the other 2 inspections this is now a much safer building.
- In December 2016, there were 4 or 5 NOVs issued, including an NOV from the Electrical Department, 2 days before New Year’s Eve and the inspector told the owners that they were going to get a 9X penalty.
- If we want to save the habitat of these artists, and most of them have gone elsewhere, they have to be looked at like an endangered species and not cause them anymore grief. They may lose 992 Peralta because the landlord freaked out about the 9X penalty and Notice from EID, so think about that.

Vice-President Walker thanked everyone for coming, and said that this is an important issue for the City. As a Commissioner she formally supported the process going forward. There are proactive solutions if Planning, Fire, DBI, Entertainment, and the Arts Commission can come together to formalize a process that brings tenants in earlier. The point about not trying to frighten the very people that they are trying to help is important, and the BIC wants to make a path forward available. It is good that DBI has invited the tenants to work with the CEOP team first. It is complicated because the job of inspectors once they go in is to make sure that the building is safe. Tenants understanding what their rights are and what is going to be happening are vital first steps. Hopefully the Commission supports a proactive set of recommendations that brings all of the departments together and do more investigation on occupancy issues and moving forward on some

of these projects.

Commissioner Warshell thanked Vice-President Walker for chairing the meeting last month and expressing her passion for the community as an artist. He can also relate, because his wife's son is also a San Francisco working artist. He read a poem by Jane Vandenburg titled "Advent, Awaiting Word from the Ghost Ship Fire" that ran in the *S.F. Chronicle*:

" Since November I've tasted smoke, a bitterness on the tongue, the fragrant tang of being *despised! rejected!* for who and what we are. Since Saturday we've awaited news from the warehouse fire where Nick went dancing after texting his friends to meet him there. Twenty-five, a bowler, last seen on the collapsing makeshift staircase *And who shall tell of His coming* or how our fate now finds such proximate disaster, our kids huddled in splendid, defiant squalor in buildings without lighted exits? Since November I've smelled smoke, faint at first, now persistent. December, a cathedral lit by seven thousand candles. *Wonderful!* the choir swells, *Counselor!* Voices soaring to *Comfort ye, my people* as we pray for a recount or a hero, or a savior, waiting for those we now know will never come."

Commissioner Warshell said that it was the intent of the Department and the Commission to work with everyone to find good solutions and recognizing their need for safety. Finding that balance is the goal.

President McCarthy thanked everyone for coming and said that Mr. Vinee's point was well taken, because he lived in S.F. in the 80s and 90s, and has followed the struggle for artists to maintain their spaces. One thing that has evolved and needs to be recognized with the different departments is different legislation has passed over the years, and what was done in 1990 might have been a correction notice, which would have been a lot easier to deal with if you had the right landlord and people involved, but now it is an NOV. DBI does its best, but staff is now under heavier mandates than in the past. He understands everyone's opinion and to Mr. Mecca's point there are solutions if everyone works together, even though it is a difficult job. Everyone's head is in the right place. He thanked Commissioner Warshell for reading the poem and Commissioner Walker for bringing everyone together.

7. Discussion regarding DBI's policies and procedures regarding scaffolding safety during major storms.

President McCarthy said that he brought up this item because he saw scaffolding that had fallen on Grand and Market Street. It was a wonder no one was hurt. He called this in to the Fire Department, but he wondered what DBI's approach was to make sure scaffolding was safe.

Deputy Director Dan Lowrey gave a presentation regarding DBI's policies and procedures regarding scaffolding safety, and discussed the following points:

- AB-025 Pre-application requirement for trenching, demolition, construction activities.
- California Occupational Safety & Health Administration (CAL-OSHA) regulates high scaffolding above 36 feet.
- Department of Public Works (DPW) issues scaffolding permits in the public right of way.
- There should be a 24-hour phone number posted.
- If scaffolding fell during a major storm, OSHA would site and lock down a building and

there would be punitive damages.

- OSHA makes sure that there is proper bolting.
- Director Hui gave this message to all DBI Staff – “In the course of doing inspections, please give direction to stakeholders, including contractors, in preparing to address all upcoming inclement conditions. Specifically, deliver the message of best practices regarding drainage and erosion control, security of scaffolding, and securing of construction materials on buildings under construction to minimize any hazard they may present to others in the vicinity.”
- Building, Plumbing, and Electrical divisions can be contacted regarding scaffolding issues.
- Scaffolding needs to be re-secured if it gets disconnected, because it can be a zipper effect if there are high winds.
- Important to secure site. Patrick O’Riordan and Ed Donnelly gave a mandate to all inspectors to look at scaffolding in storm conditions.
- DBI had a message re: safety precautions for scaffolding, which was posted on Twitter and Facebook.
- Outreach has been done re: scaffolding also.

Commissioner’s & Staff Question & Answer Discussion:

- Vice-President Walker asked if DBI issues the NOV? Mr. Lowrey said no, but they give the contractor a warning and say that they would contact OSHA. DBI can put up barricades.
- President McCarthy asked if DPW inspects scaffolding permits? Mr. Lowrey said yes, they inspect them when they issue the scaffolding permit. DPW staff should go out to inspect also.
- President McCarthy asked if DPW was the enforcer? Mr. Lowrey said DBI makes sure there is an OSHA permit on file before they issue Building permit. DPW does not routinely check scaffolding.
- President McCarthy asked if the Department could be proactive? Mr. Lowrey said that Director Hui told all of the staff to check scaffolding when they are out on inspections.
- Director Hui said that it is a difficult situation, because OSHA is a state agency. DBI can request a report, but would not get it right away – It could be up to 6 months later.
- President McCarthy said that DPW should do a lot more than look at scaffolding from the sidewalk. DBI could possibly be held responsible in the future.
- Mr. Lowrey said that most contractors would drop the netting.
- President McCarthy said that maybe DPW staff could come to the next meeting to talk about this issue.

8. Update on DBI’s February response regarding the procedure and policies for performance based applications.

President McCarthy discussed DBI’s February response regarding the procedure and policies for performance based applications and addressed the following points:

- San Francisco is an international city.
- One of the busiest high-rise cities in the world, and cranes are all over the city.
- Procedures are in place to address high-rises and major construction.
- What policies are in place for major construction?

- Educate public on responsibility of contractor's and builder's safety.
- Hopefully everything would be better next month.
- Where does S.F. stand in comparison to Seattle, San Jose, etc.
- All of the staff, (Mr. Sweeney, Mr. Lowrey, Mr. Tom, and Director Hui), has done a good job.
- It would be great to get additional information in February.

Commissioner Warshell said that he appreciated the response, and he would like to add to it interactions with likely developments (area overview). He would also like to know the best practices of other cities (seismic areas). He asked that staff reach out to Osaka/Tokyo.

9. Discussion and possible action on the proposed budget of the Department of Building Inspection for fiscal years 2016/2017 and 2017/2018.

Secretary Harris stated that there was a correction to this item and the fiscal years that would be discussed are 2017/2018 and 2018/2019.

Deputy Director of Administration and Finance, Taras Madison, presented the Department of Building Inspection's budget for fiscal years 2017/2018 and 2018/2019 and discussed the following items:

- Mayor's Budget Instructions
- Department Goals
- Revenues
- Expenditures
- Budget Balancing
- Next Steps

Commissioner's & Staff's Question & Answer Discussion:

- Commissioner Gilman asked what happens to excess revenue? Ms. Madison said that it goes to the fund balance, and can expend it in the future years. DBI can expend it in the future years for retirement or to offset expenditures (e.g. A Rainy Day Fund).
- Commissioner Gilman asked if Expenditures increased by \$1.5M?
- Ms. Madison said yes, the Department already dipped into the reserve to balance the budget. Salary and fringes are the largest increase. The pie chart for expenditures shows salary is 64%.
- Commissioner Walker said there was a certain amount of money transferred to the Mayor's Office and the Fire Department. DBI went through a fee evaluation study, and it was determined that the Department was making too much money. She wanted to look at the possibility of additional funding for Code Enforcement activities for a longer term than 2 to 3 years.
- Commissioner Warshell said that 17/18 \$4.5M deficit of revenues to projected expenditures. What is current balance in reserves? Perception is that building is slowing down some, but DBI is still forecasting strong growth in revenue, so he was wondering if the Department should be more conservative?
- Ms. Madison said DBI is not projecting to increase revenue. The increase is from a budget. \$64.7M – Budget is \$60M in current year. DBI collected \$35M through December, but did

not want to be too aggressive, so they only bumped it up a little. They are seeing if the trend continues. DBI has a large surplus, because the Department has been conservative. \$35M is available to supplement.

- Commissioner Gilman suggested expanding Code Enforcement Outreach efforts in the budget.
- Ms. Madison asked if Commissioner Gilman was looking at increase to line items? There is currently a work order to the Fire Department for \$1.1M.
- Vice-President Walker and Commissioner Gilman asked Chief Bosque to look at grants and give the Commissioners information on what is covered now.

Commissioner Gilman made a motion, seconded by Commissioner Walker, to approve the 2017/2018 and 2018/2019 Department of Building Inspection budget.

Secretary Harris called for a roll call vote:

President McCarthy	YES	Vice-President Walker	YES
Commissioner Gilman	YES	Commissioner Konstin	YES
Commissioner Lee	YES	Commissioner Clinch	YES
Commissioner Warshell	YES		

The motion carried unanimously.

RESOLUTION NO. BIC 001-17

10. Director's Report.

- a. Update on DBI's finances.

Deputy Director of Administration and Finance, Taras Madison, presented the update on DBI's finances:

- Revenues are lower, because the valuation and number of permits has gone down.
- Department is doing better due to Building permits and Plan Review revenue.
- Expenditures – 4% higher rate due to an increase in salaries.

- b. Update on proposed or recently enacted State or local legislation.

Mr. Bill Strawn, Legislative and Public Affairs Manager, presented the following items:

- **File No. 151353 – Supervisor Tang's legislation re: Diaper-Changing Stations—** Ordinance replacing a provision of the Planning Code with a new provision of the Administrative Code requiring all City buildings that are accessible to the public to install and maintain at least one baby diaper-changing accommodation that is accessible to women and one that is accessible to men.
- **File No. 16111 and 16112 – Supervisor Peskin's legislation re: Tall Building Advisory Committee & Fund Transfer –** To establish a Tall Building Advisory Committee to the Board, Mayor and DBI. (Supplement to existing CAC. DBI will provide a staff report.)

- **File No. 170031 – Supervisor Peskin’s legislation requiring DBI to retain certain records permanently** – Amends the Administrative Code to increase the number of permanent records DBI currently retains.
- **File No. 161291 – Supervisor Peskin’s legislation re: Update of Administrative Code Chapter 41 of Hotel Conversion Ordinance** – Updating ordinance in order to protect existing S.F. housing stock, especially the more affordable stock. (Chief Bosque will make a presentation on this at Land Use.)

c. Update on major projects.

Director Hui gave an update on major projects and stated that in December customers rushed in to get impact fees, so there were more people that came in to DBI. There was a 6.7% increase in major projects.

d. Update on Code Enforcement.

Deputy Director Dan Lowrey gave an update on Code Enforcement.

Deputy Director Lowrey presented the following Building Inspection Division Performance Measures for December 1, 2016 to December 31, 2016.

- Building Inspections Performed 4995
- Complaints Received 337
- Complaint Response within 24-72 hours 265
- Complaints with 1st Notice of Violation sent 66
- Complaints Received & Abated without NOV 159
- Abated Complaints with Notice of Violations 26
- 2nd Notice of Violations Referred to Code Enforcement 29

Deputy Director Lowrey presented the following Housing Inspection Services Performance Measures for December 1, 2016 to December 31, 2016.

- Housing Inspections Performed 1,263
- Complaints Received 429
- Complaint Response in 24-72 hours 416
- Complaints with NOV’s issued 190
- Abated Complaints with NOV’s 387
- # of Cases Sent to Director’s Hearing 43
- Routine Inspections 311

Deputy Director Lowrey presented the following Code Enforcement Services Performance Measures for December 1, 2016 to December 31, 2016:

- # of Cases Sent to Director’s Hearing 37
- # of Order of Abatements Issues 9
- # of Cases Under Advisement 8

- # of Cases Abated 39
- Code Enforcement Inspections Performed 60
- # of Cases Referred to BIC-LC -
- # of Cases Referred to City Attorney 1

There was no public comment on agenda items 10a-d.

11. Review and approval of the minutes of the Regular Meeting of June 15, 2016.

Commissioner Walker made a motion, seconded by Commissioner Warshell, to approve the minutes of the Regular Meeting of June 15, 2016. The motion carried unanimously.

RESOLUTION NO. BIC 002-17


12. Adjournment.

Commissioner Clinch made a motion, seconded by President McCarthy, to adjourn the meeting. The motion carried unanimously.

RESOLUTION NO. BIC 003-17

The meeting was adjourned at 1:06 p.m.

Respectfully submitted,



Sonya Harris, BIC Secretary

SUMMARY OF REQUESTS BY COMMISSIONERS OR FOLLOW UP ITEMS	
Request for DPW staff to attend the next BIC meeting to talk about the issue of scaffolding. – McCarthy	Page 11
Request to look at grants and give the Commissioners information on what is covered now. – Walker, Gilman	Page 12