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

REGULAR MEETING
Wednesday, January 21, 2015 at 9:00 a.m.
City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416
Aired Live on SFGTV Channel 78
ADOPTED May 20, 2015

MINUTES

The regular meeting of the Building Inspection Commission was called to order at 9:11 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, Left 12:00 p.m.**
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**
Lily Madjus, **Communications Director**

CITY ATTORNEY REPRESENTATIVE

John Malamut, **Deputy City Attorney**

2. President's Announcements.

President McCarthy read a memo from Director Hui regarding DBI Priorities for 2015:

"To all DBI Staff:

As we begin our new work year in 2015, I want to thank all of you for your dedicated and excellent work on behalf of the City throughout 2014. 2015 promises to be another busy and exciting year for us as the building boom continues to drive customers to our doors here at 1660 Mission. We remain an important part of the City Team and the City's economic well-being, thanks to our leadership role in guiding a wide range of San Franciscans on steps to comply with building safety codes.

I am committed to ensuring throughout the coming year that we continue to process permits as efficiently as possible, review plans, perform inspections and remind owners of required habitability standards they must comply with for the well-being of all who live and work in the City.

I also want to share with you my three main priorities this year, which include:

- **HOUSING: Maintaining the continued momentum of the construction of new and preservation of existing housing units**
  - Preserving existing housing stock per feasible building code applications;
  - Expediting the review/approval process for new housing units to meet the Mayor's goal of 30,000 more units by 2020 by working closely with Planning and Mayor's Office of Housing. In 2014, we helped bring 4,000 new housing units come online;
  - Continuing DBI's efficient approvals of permits (more than 90 percent approved in 24-48 hours, and nearly 66,000 permits issued in FY13-14) – on track to issue over 85,000 permits in FY14-15;
  - Providing timely inspections of building and housing properties for both Temporary and Final certificates of occupancy, code compliance, habitability and quality of life issues;
  - Working with Supervisor Tang on a proposed ordinance for mandatory disability access improvements, and increasing the number of DBI CASp-certified staff;
  - Working with the Mayor's Office and Board of Supervisors to increase participation levels in the voluntary legalization of In-law units' program.

- **EARTHQUAKE SAFETY: Increased outreach to the public on earthquake safety for new and existing buildings, as well as ongoing training/emergency response for all staff**
  - Continuing implementation of Earthquake Safety projects (soft story retrofits, private schools' seismic evaluations, seismic educational outreach program in Chinatown), as well as regular DBI staff training to improve DBI emergency responsiveness;
  - Providing staff with the needed tools to prepare for an emergency at work and in their homes;
  - Ensuring we have a 12-month funding reserve so we can adequately respond to a natural disaster, both during and after the event to ensure a speedy recovery.

- **CUSTOMER SERVICE: Continuing to improve customer services, while providing transparency and easy access to all of DBI's professional services**
  - Completing the implementation of the new integrated Permit and Project Tracking System (PPTS), and launching for public use early in Quarter Two , and improving public transparency and access to DBI's services ;

- Completing DBI's 2015 Customer Satisfaction survey to identify ongoing performance improvement targets, and to make these improvements a seamless part of the professionalism we provide to everyone."

President McCarthy also made the following announcements:

- Congratulations to Director Hui for his recent Channel 26 Chinese television interview in Cantonese – covering the new vacant storefront ordinance, DBI's overall budget situation, and the legalization of in-law dwelling units. This interview is posted on the DBI web site, www.sfdbi.org, for those able to understand Cantonese.

- Director Hui was also interviewed by KQED-FM Radio about DBI's efforts over the past year to hire additional inspectors, plan review engineers and support personnel to keep pace with the ongoing building and construction market demands. This radio story was aired on Monday, January 12, and continues to be available on the KQED-FM web site. Director Hui explained that at the low point of the economic recession in FY 08-09, DBI staff totaled 209 employees. We increased to 227 in FY11-12, and to 246 in FY12-13. As of December 2014, total staff reached 265 full time employees. We are still recruiting and hope to hire an additional 18 in various civil service classifications during this fiscal year to meet ongoing customer service demands.

- A big thank you goes out to Carey McElroy of Plan Review Services who received a thank you letter from a customer who had a positive experience working with him, and said he was knowledgeable in reviewing their architectural documents. Kudos for a job well done.

- FYI, Commissioner Walker requested an update on the Joint Building Inspection and Planning Commission follow up meeting, however there isn't much to report, except we reached out to the Secretary Mr. Ionin who asked the Planning Commissioners about their availability but we haven't heard anything back yet.

3. General Public Comment: The BIC will take public comment on matters within the Commission's jurisdiction that are not part of this agenda.

Mr. Steve Williams said that he was present to follow up on the project at 3450 – 21st Street. He was at the BIC in December at the request of some of the neighbors to ask about the project. Mr. Williams was surprised that this item was not on the agenda today for a report or follow-up. He left the meeting in December with the distinct impression that there would be a report at this month's meeting. Mr. Williams told his clients the Department promised that a detailed report would be done for the benefit of the public and the Commission. He looked back at the tape in response to Commissioner's questions and Director Hui stated that the Department would present a report at the next meeting. Further, Deputy Director Sweeney said that he would be happy to look into it and give a more detailed report, so he is asking that a detailed report be made for the benefit of the public. His clients wanted to turn on the TV today and see what was going on. Mr. Williams said that he had two outstanding Sunshine Ordinance requests that DBI has not

responded to yet. He confirmed that the information he gave at the last hearing was accurate. 16 permits were issued for this project between January 2013 and November 2014; only two were issued with any kind of public notice; the initial permits – The first 3 were issued Over The Counter (OTC), and that included the very large permit which included new habitable space, half bathroom, laundry room, bar, etc. The reason this is important is that once the OTC permits were issued, 3 very large permits, it was at that point building in the same space that new permits were issued through a notice process at Planning, but not before. It was never presented as one project and that is serial permitting and hiding the extent of the build out. If the same rooms were constructed with OTC permits, and then the exact same rooms are being constructed with noticed permits, then have Planning review that is serial permitting which happened in this case – 14 permits. The neighbors want to see reconciliation and a description of this project as a whole. The valuation is way off and came in at $1.7M and it is probably closer to $17M. His clients want an explanation of this project as a whole and how it came about.

4. Update on the Department of Building Inspection's fee study.

Ms. Peg Stevenson, Director for the City Performance Unit in the Controller's Office gave an update on the Department of Building Inspection's fee study. Ms. Stevenson introduced her staff, Randall McClure who is the Project and Manager and Claire Phillips who has done some of the work. Ms. Stevenson discussed the following points:

- Ms. Phillips' unit gives technical assistance to other City departments within the Controller's Office and makes sure the accounting, budgeting, and treatment of technical issues like DBI's fee study are coordinated.
- The Controller's Office has been holding the contract for DBI's fee study. Their office took a look at DBI's staff in Fiscal Year 12/13, and at the fund balance increases that were generated in the Building Inspection Department.
- A couple of recommendations came out of that: 1) The investment in reserves, the fleet purchases and other line items, which were appropriate uses of that fund balance. 2) The recommendation for a fee study to be done to adjust the Department's fee schedule, which is a good practice at least on a 5-year cycle and more frequently if there is a lot of volatility.
- The Controller's Office entered into a contract with MGT America and asked them to do the fee study for DBI. They have spent about 5 months going over a lot of detail in the Department, interviewed managers, and looked at cost captured to be sure they were appropriately capturing the costs of what goes in the Department and allocating the activities to the direct charging departments.
- The above work has been largely completed, and the Controller's Office went over the fee study with Director Hui and Deputy Director Madison in the fall.
- There were several questions outstanding that the Controller's Office wanted MGT to go back over to make sure that they did an adequate cost capture.
- Controller's Office thought there were some costs not appropriately accounted for, so they wanted MGT to go back on large projects where there are going to be recommendations that fee categories established for $5M and above, and break it down in a sector that was not there before.
- Also wanted MGT to look at the volume of work that was being done over the counter, and that represents the Department, and adequately doing cost capture for that.

- Controller's Office has largely concluded that work but is not 100% there yet, and they have not had a chance to go over the details with Ms. Madison and Director Hui but will in the next week or so.
- The City's work on the Combined Annual Fiscal Report (CAFR) also came in for FY 2013-2014, and the revenue and fund balance results that showed up for DBI were a little bit higher than projected, so that also caused them to go back to make sure the revenue line items, which are driving that, are appropriately captured in the fee study.
- There is an accounting treatment of deferred credit and the reserves in the fund have to be carefully understood between the Controller's Office and DBI Management.
- The City's accounting division will confirm the final year end results from MGT, and square them with the fee proposals that come forward to the BIC and look at the accounting treatment of the deferred credit.
- Ms. Stevenson anticipates concluding the above items within the next two weeks, and meeting and going over the details with Ms. Madison and Director Hui, and then come back to the BIC with a full presentation on the new fee proposal next month.
- Ms. Stevenson apologized that this has taken so long, but there are a lot of different issues at play and they want to be sure not to go back over this ground more times than necessary for DBI and the City.

Commissioner's & Staff Question & Answer Discussion:

- Commissioner Walker said the BIC was anxious to get the details from the Controller's Office. The concern about the amount of money that seems to be left over – Was it factored in that DBI has to be prepared as first responders? Ms. Stevenson said the fee study includes all indirect costs.
- Commissioner Lee asked what is the next step after the fee study is done? Ms. Stevenson said there needs to be legislation specifying the fees and also an extension of the temporary 7% fee reduction to go to the Board of Supervisors.
- Ms. Madison said that she hopes the fee study will be done by then end of the next FY, but the actual legislation states the reduction will be extended until DBI adopts a new fee schedule so there would not be a break.

There was no public comment.

5. Discussion on the status of the conversion of San Francisco public housing units to private ownership under Housing and Urban Development's (HUD) Rental Assistance Demonstration (RAD) program.

Ms. Lydia Ely of the Mayor's Office of Housing and Community Development gave a presentation on the Rental Assistance Demonstration (RAD) program and addressed the following points:

- The RAD program is a funding program that is giving the city of San Francisco, under the leadership of the Housing Authority and the Mayor's Office of Housing, the opportunity to make long delayed and much needed improvements to about 3,500 units of housing across the City.
- The units were built starting in the 1940s to 1991 and are in extreme disrepair, suffering from many years of funding neglect mostly because of cuts Congress made to capital

improvements for housing.

Power Point Presentation – "Preserving San Francisco's Public Housing: HUD's Rental Assistance Demonstration (RAD) Program" covered the following topics:

- SF Housing Authority: Background
- SF Housing Authority: Defining the Problem
- RAD: Public Housing Nationally
- SF Housing Authority and DBI
- SF Housing Authority: Re-Envisioning
- RAD: What is RAD?
- RAD: Details
- RAD: Rehab Schedule
- RAD Projects and DBI
- For More Information Contact:
  - Mayor's Office of Housing and Community Development www.sf-moh.org
  - San Francisco Housing Authority www.sfha.org/RAD-Information.html
  - US Department of Housing and Urban Development www.hud.gov/rad

Commissioner's & Staff Question & Answer Discussion:

- Vice-President Mar said that his concern is because of the conversion to private, non-profit housing that enforcement would fall on DBI. Also a big problem with HUD was things being ignored.
- V.P. Mar said DBI has an MOU with the Housing Authority and in the past DBI inspectors wrote suggestions for repairs, so what happens to the MOU now with the RAD program? He also asked who was taking over the projects?
- Ms. Ely said once the rehab work is done, then the problems should be resolved. Elevators have been a problem, and the City has granted $6M to Housing Authority to make emergency repairs. She does not foresee the need for an MOU.
- Ms. Ely mentioned the transition will be discussed with DBI, but it should be a straight forward, typical relationship with DBI.
- V.P. Mar said he was also concerned about the thousands of units turned over to non-profits, so he would like to see a list. There seems to be a conflict since some of the project managers are the same non-profits – Property manager will be receiving funding as a tenant advocate. End result is they will be sitting on both sides of the table as a manager and tenant representative.
- Ms. Ely said that she did not fully understand DBI roles, but the same developers are the ones doing work in the City already.
- Ms. Ely said 29 projects are divided into 8 clusters: 1) Chinatown Community Development Center, 2) Western Addition -Related companies & Tabernacle Center, 3) Tenderloin Neighborhood Center with Bethel Community Partnership, 4) Tenderloin South of Market, 5) Bernal Heights - Bernal Heights Neighborhood Center & Bridge Housing, 6) Mission/Castro, Duboce triangle - Bridge Housing & META, 7) California Corridor Cluster (West of Divisadero) – Mercy Housing & John Stuart Company, 8) South East Cluster (Bayview) – John Stuart Company with Ridgepoint and S.F. Housing Development Corporation, which is Bayview based non-profit.
- Ms. Ely said the above agencies are led by people doing advocacy across the City.
- Commissioner Walker said that DBI has the Code Enforcement Outreach Program (CEOP)

that help with community rental housing and the SRO Collaborative.

- Commissioner Walker said that she is the tenant representative on the BIC and wants to make sure that there is un-conflicted communication. Hopefully DBI will put together a team around this issue involving HIS, CES, etc.
- Ms. Ely said the model for housing development is done through a competitive process.
- RAD conversion - Mayor's office is doing a lot of project management. Mayor's Office hired new staff to work on this, and will help to come up with protocols for residents to make sure they have a voice.
- Commissioner Melgar said that she was worried about the capacity of workload since this will be a big expansion for DBI and HIS staff.
- Commissioner Lee asked have the tenants expressed concern about the transition? Ms. Ely said RAD was discussed with residents, and they are mostly focused on when the improvements will be made. Initial concern was rent increase and if residents would be displaced, but that will not happen.
- President McCarthy said this is logistically challenging and everyone needs to work together on this. Staff level to give better service to residents is an issue.
- Commissioner McCray said with the RAD program, the City has developed an interlocking working group structure that deals with the issues being brought up by the developers and tenants, and important component is each cluster is "gearing up" to provide service connectors to help tenants with their issues.

There was no public comment.

6. Discussion and Possible Action for appropriating a supplemental budget for Telegraph Hill Rock Slope Improvement.

Commissioner Lee disclosed that part of the presentation would be given by some of his colleagues at the Department of Public Works (DPW).

Mr. Rinaldi Ribowo, Public Works Manager for the Telegraph Hill Rock Slope Improvement Project, and his colleague Stephan Leung gave a power presentation, showed detailed photographs, and discussed the following information:

BACKGROUND

The Telegraph Hill Rock slope improvement project is compartmentalized in three parts in a South to North direction:

- South is Recreation Park Department property,
- North is Block 60/Lot 5, currently Mosser's property that will revert to City's ownership upon completion of the project.
- In the middle, between RPD and private property (Lot 5) is Lombard Street ROW.

The funding breakdown is shown below graphically.

ITEMS FOR DISCUSSION (BLOCK 60/LOT 5 – MOSSER PROPERTY)

- On Block 60 Lot 5, the construction document as designed included:
    1. scaling and vegetation removal and off haul up to 50 CY of rock
    2. install 143 rock anchors thirty foot in length, install 20,000 sq ft of wire mesh (primary+secondary)

3. install up to 30 CY of shotcrete where needed
4. install 290 sq ft of drainage panel

Please note during design, the hillside was heavily vegetated and a large area was obscured (see engineers email attached)

- Construction started in November and is proceeding on schedule. Scaling and vegetation removal started in December. This was completed last week. See photo sequence below.
- Contractor and engineers are finding rock is much more intensely fractured than design. The rock on Lot 5 is more intensely fractured than on the south side or DPW portion of the project
- Contractor begun scaling and removed the contract amount of 50 CY of loose rock (within the $1.8M DBI budget)
- However, the rock was much more intensely fractured and as work progressed, more loose/unstable rock was exposed and this had to be removed (additional 500 CY) in order to expose stable rock
- Engineers and the Contractor reassessed the situation (see attached email) and they collectively do not recommend that the Contractor continue to scale and remove any more material from the hillside. Instead, the plan now is to apply gunite/shotcrete as flashcoat the areas that present a risk for the workers below and buttress (or build up) below overhanging rocks. The Gunite is a dry mix application, shotcrete is a premix that is wet
- The proposed plan include:
    - Apply 4 inch thick Gunite
    - Flashcoat Drain Holes
    - Drain Holes In Open Cracks –drain the numerous open cracks on the slope where water will likely concentrate and install pvc pipe
    - Buttress Drain Holes - drain the intersecting joints in the overhanging areas (at three buttress location) to ensure no water pressure buildup at intersection joints
    - Buttress Dowels –dowel the thickened buttress sections to the rock
    - Upper Flashcoat Drainage – install drainage board below the upper flashcoat area to ensure the material is free draining
    - For the work recommended by the Engineers, contractor will prepare a PCO (based on estimated quantities) at accepted bid item unit cost prices. Contractor estimates 55 CY of shotcrete. Engineer concurs. They are preparing the formal paperwork and we will go through a change order process
    - This proposed plans do not change the design of the rock anchors and mesh design
    - We added additional soft cost for this, including the right of way process that we are embarking on for the rock anchors that extend below 268 Lombard Street. See below table for cost
- We are requesting an amount of $800,000 from DBI to proceed with the plan. Of which the current estimate is $519k from construction without contingency. The soft cost includes anchor right of way costs that we can discuss on Tuesday. The breakdown is as follows:

Estimated Quantities	Mosser - Block 60/Lot 5	
	CY	COST
Shotcrete CY ($4890/cy)	55	$ 268,950
Additional offhaul ($500/cy)	500	$ 250,000
subtotal		$ 518,950
incl. 20% contingency		$ 622,740
additional soft cost incl. anchor ROW		$ 177,260
		$ 800,000

Additional Information Presented:

- In the 1800s the area was used illegally as a quarry. The operator blasted the hillside with dynamite.
- There are precarious over-steepened slopes
- This area has a history of known rock slides
- 1949 – 150 cubic yards of material fell down
- 1958 200 cubic yards of material fell down in a rainstorm
- 2012 2 ½ in rain and 80 cubic yards of material fell down. Fortunately one was hurt, but a car was smashed.
- DPW did an emergency cleanup, then embarked on an engineering study to figure out how to stabilize the hillside
- Area next to Coit Tower. DPW and DBI participating and helping to work on this project.
- Project going well, but South and North of Lombard Street are two different areas.
- The hillside is unstable, so work needs to be done to stabilize the hill and make the area safer for the workers to remove the rock.
- DPW needs help from DBI to complete the project. Above detailed additional cost $800K.

Commissioner's & Staff Question & Answer Discussion:

- Director Hui said in 1990 when he worked at DPW the hill has always been a problem.
- Commissioner Walker said DBI needs to help so that workers are safe.
- Director Hui said it is good the workers started a while back, because this helped protect the public.
- V.P. Mar said the work should be done, but he was concerned that DPW was contributing as well as DBI. Mr. Ribowo said DPW has contributed significantly.
- Commissioner Lee asked what happens after shotcrete? Mr. Ribowo said the idea is to stabilize the hillside, so the City does not have to keep taking care of it. Also, to make sure neighbors around the hillside and their property is safe.
- Mr. Ribowo said there will be annual inspections.
- President McCarthy confirmed that $800K was total needed. Mr. Ribowo said there would not be another request.
- Deputy City Attorney Malamut explained that legislation was already passed in the fall, and came before the BIC as a Code Amendment. This allowed the use of the Demolition & Repair fund. Earlier the cost was $1.8M, but the cost of the project has gone up given the condition of Telegraph Hill.

There was no public comment.

7. Discussion and possible action on the proposed budget of the Department of Building Inspection for fiscal years 2015/2016 and 2016/2017.

Deputy Director Taras Madison, Chief Financial Officer gave a presentation on the proposed budget of the Department of Building Inspection for fiscal years 2015/2016 and 2016/2017 and addressed the following points:

- FY 2015-16 and FY 2016-2017 Budget Goals

The proposed budget funds positions, training, supplies, outreach and IT projects to assist the department meet the following goals:

- Review plans and issue permits safeguarding life and property in compliance with City and State regulations.
- Provide inspections to enforce codes and standards to protect occupant's rights ensuring safety and quality of life.
- Deliver the highest level of customer service
- Implement efficient and effective administrative practices.

- FY 2015-16 and FY 2016-17 Budget Guidelines
  - Similar to prior year, the department is submitting a two-year budget.
  - FY 2015-16 budget was submitted and approved with the FY 2014-15 budget. FY 2015-16 budget serves as the base budget for this new two-year budget cycle.
  - Mayor's Office instructed departments to maintain general fund support at approved FY 2015-16 base amount.
  - Similar to prior year, the department is submitting a two-year budget.
  - FY 2015-16 budget was submitted and approved with the FY 2014-15 budget. FY 2015-16 budget serves as the base budget for this new two-year budget cycle.
  - Mayor's Office instructed departments to maintain general fund support at approved FY 2015-16 base amount.

- FY 2014-15 and FY 2015-16 Department Budget Instructions
  - As a special fund department, accurate revenue projections are crucial to developing the budget.
  - The department is awaiting the completion of the fee study to determine fees for next four or five years.
  - Given the uncertainty of department final revenues and the department's budget has increased over the past years, the department is maintaining budgets at the FY 2015-16 base.

- FY 2015-16 and FY 2016-17 Budget – Revenues
  - FY 2015-16 and FY 2016-17 revenue projections are based on a 15% reduction in FY 2014-15 budgeted revenues. These preliminary projections are estimates only and will be revised once the fee study is completed.
  - The department has adequate fund balance to cover the proposed $9.7M reduction.

- FY 2014-15 and FY 2015-16 Budget – Expenditures
  - FY 2015-16 and 2016-17 expenditures remain at FY 2015-16 base ($72M). There are no major increases from the base.
  - Major reduction in professional services due to reduction in FY 2015-16 projects.

- FY 2015-16 and FY 2016-17 Budget – Authorized Positions
  - The approved FY 2015-16 budget adds .77 FTE or 1 new position.

- FY 2015-16 and FY 2016-17 Budget Summary
  - To continue to strengthen department IT functions, previously approved funding is available for various IT projects including PPTS, Disaster Recovery, software/hardware upgrades, etc.
  - The proposed budget maintains funding for outreach and training to continue to improve overall customer service.
  - Similar to FY 14-15, work orders to other city departments is the department's largest non-salary expenditure ($10M).
  - The proposed budget includes funds to continue to replace vehicles.
  - FY 2016-17 materials and supplies budget includes an increase for new code cycle materials.
- Conclusion and Next Steps
  - The department proposes to maintain funding at current FY 2015-16 base amount.
  - Maintaining funding allows the department time to plan for new fees once fee study is completed.
  - The department has adequate fund balance to cover proposed fee reduction.
  - Previously approved funding is available to fund department projects including IT, Building Improvements etc.
  - Once the fee study is complete, the department will revise revenue estimates.

- FY 2015-16 and FY 2016-17 Budget – Schedule

DATE:	ACTIVITY:
January 21, 2015 (Regular)	BIC public hearing on proposed budget
February 3, 2015 (Special)	Follow-up BIC meeting for final approval
February 5, 2013 – Feb. 19, 2015	Finance prepares the Mayor's Budget submission and inputs the budget into the Budget System
February 18, 2015	Regular BIC Meeting
February 23, 2015	Final budget due to Controller and Mayor's Office (Charter deadline)
June 1, 2015	Mayor's Office submits the budget to the Board of Supervisors
June 2015	Budget and Finance Committee review of the Mayor's Budget (date of DBI review TBD)
July 31, 2015	Last day for Board of Supervisors to adopt final budget.

Commissioner's & Staff Question & Answer Discussion:

- Commissioner Walker asked if there was money in the budget for the new positions that will be needed for the RAD program? Ms. Madison said that positions could be added, but when the budget was put together DBI was uncertain about the dollar amount.
- Commissioner Walker said the City comes to DBI for earthquake or emergency.
- V.P. Mar said DBI may need to fund more money to CEOP.

- DBI has enough funding to do a variety of things and the BIC can vote to increase this.
- Commissioner Walker asked why the retirement amount was $1M less? DBI does not budget this – It happens at the Controller's Office, and fringes seem to be going down.
- President McCarthy said the budget has to be submitted to pass the "sniffing test", and DBI has to fight for certain dollars. The Controller's Office mindset is that major changes are going to happen, and affect the staffing level. Appealing to Ms. Madison's "street smarts" to sow the seeds that DBI needs positions in the near future.
- Ms. Madison said the Controller's Office may be of assistance to the BIC, because they want DBI to spend the fund balance.
- Commissioner Walker said there is a good reason to have a fund balance since DBI is an enterprise department.
- Ms. Madison said on February 3, 2015 there would be a Special Meeting to hear the budget, and between now and the 19th she would be loading the budget into the system.

There was no public comment.

8. Director's Report.

a. Update on DBI's finances.

Ms. Madison gave an update on DBI's finances and discussed the following items:

- Year to date financial report December 2014
- 7% fee reduction until the end of the FY
- $2.7M deficit, but savings in expenditures
- Net = $2.5M surplus at end of FY
- Working closely with other departments
- No control over the overhead; DBI does not have a say in that
- Salary savings – DBI has hiring and brought in more people
- Revenues are slowing down a little, and last year $6M more in revenues
- 17% drop in revenue, 14% drop in valuation
- Work has been continuing and 16K permits were issued

b. Update on proposed legislation.

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

- **File No. 131148 – Authorization of Dwelling Units Installed Without a Permit.**
  Many are under review in Planning. Requirement that owner needs to get legalization of unit. DBI is trying to help streamline this process. There may need to be more aggressive outreach.
- **Ordinance No. 130119 – Mandatory Seismic Retrofitting of Soft Story Buildings.**
  Status: Down to 35 non-compliant property owner screening forms.
- **Ordinance No. 182-14 – Vacant Storefront Registration.**
  DBI website encourages people to register. NOV's will not be issued for the first 270 days.

Commissioner Walker said that she did not see an update on short-term rentals. It is a Planning issue, but DBI is out there also.

Mr. Strawn said the legislation takes effect February 1 and information is posted on the Planning Department website. There was not much said about code enforcement, and there have not been any new complaints. DBI was responsible under Chapter 41-A, but then there were only 3 complaints. There have not been many complaints coming in.

c. Update on major projects.

Director Tom Hui said regarding Candlestick Park, DBI issued a regular demolition permit on January 5. Commissioner Walker clarified that it is not for an implosion, but just for a mechanical take down with a crane. Director Hui said actually the Department is waiting for them to withdraw the other permit.

Director Hui gave an update on major projects and said that the major projects have slowed down some, and it could be due to people taking vacation in December and did not want to submit their projects. He also expects the projects to be down for January.

d. Update on code enforcement.

Dan Lowrey, Deputy Director of Inspection Services, gave an update on code enforcement and said that the Building Inspection Division's performance was the highest month for the year. Some new districts have opened and two new Building Inspectors were hired.

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

• Building Inspections Performed	4977
• Complaints Received	274
• Complaint Response within 24-72 hours	226
• Complaints with 1st Notice of Violation sent	59
• Complaints Received & Abated without NOV	110
• Abated Complaints with Notice of Violations	47
• 2nd Notice of Violations Referred to Code Enforcement	5

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

• Housing Inspections Performed	1059
• Complaints Received	476
• Complaint Response in 24-72 hours	451
• Complaints with NOVs issued	169
• Abated Complaints with NOVs	330
• # of Cases Sent to Director's Hearing	27
• Routine Inspections	164

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

- # of Cases Sent to Director's Hearing 67
- # of Order of Abatements Issues 25
- # of Cases Under Advisement 18
- # of Cases Abated 185
- Code Enforcement Inspections Performed 147
- # of Cases Referred to BIC-LC -
- # of Cases Referred to City Attorney 4

President McCarthy said sometime in the near future RAD is going to be part of Mr. Lowrey's portfolio, so he is wondering how many existing violations are going to come in while the rehabilitation is going on. This is the type of thing that needs to be discussed in budget meetings to see how this will be handled. Also suggested to have the RAD data listed on another sheet for the monthly Update on code enforcement, so that it will not affect the good work that staff has done.

There was no public comment.

9. Discussion on Accela Permit and Project Tracking System.

Mr. Henry Bartley, Project Manager for the Accela Implementation, gave a status update on the Permit Process Tracking System (PPTS) and addressed the following points:

- The main focus has been on the continued testing of the UAT items and the Data Migration effort
- Displayed a handout of the revised DBI Accela Project Timeline on the overhead projector
- Time added to the timeline because resources from 21 Tech Accela were not available for 4 days, but now project back on track.
- UAT retesting - 51 items are left and should be done at first week of February
- Gearing up for a full Data Migration run this weekend, which will result in a round of retesting
- Functionality and data migration are the most important things to going live
- Continuing refresher training, so training rooms are set up for user testing
- Business Simulation Pilot will occur in mid-February – 2 day event to simulate business processes at DBI, and will include other departments also to make sure to understand timing and expectation of clients/customers. Reinforce project will work end to end.

Commissioner's & Staff Question & Answer Discussion:

- Commissioner Walker asked if DBI is looking at a date at the end of March? Mr. Bartley said there are 2 things pending which is why there was no Go Live date mentioned.
- Items that caused resources to be withdrawn involved looking at the budget and having visibility available to DBI. Two items not "costed out" are: 1) The reporting piece, since there is additional work to be done and 2) Re-estimation for the Data Migration effort

- DBI and Department of Technology had meetings with the highest levels of Accela and 21 Tech to make sure they are absolutely committed to the date, and that reassurance has been achieved.
- Commissioner Walker asked if there was a budget adjustment that needed to be talked about, because over schedule means over budget?
- Mr. Bartlett said that number is being refined to provide to Ms. Madison. Initial estimates have been done and the ballpark is around $200K more.
- V.P. Mar said since Data migration was one of things that slowed down the process, which divisions are having a harder time with this?
- Mr. Bartley said Inspections, because inspection records in PTS have many data fields. Inspections go through a fairly detailed process as they get completed, so the process of mapping those data fields into Accela has been the most problematic and complex.
- V.P. Mar asked which divisions, e.g. Building, Mechanical, Electrical Inspection, Plumbing, etc.
- Mr. Bartley said it is Building, Plumbing, and Electrical which he refers to as the physical inspections.
- V.P. Mar said the goal is to capture the old and the new systems.
- Mr. Bartley said the challenges around data migration are not people challenges, but they are MIS challenges to move data from one system to another.
- Mr. Bartley said many more data fields are captured in PTS than in Accela, so a challenge to include all dates.
- Commissioner Walker asked if there is enough staff? Mr. Bartley said DBI resources and Accela 21 Tech have a daily conference call that he leads to go through the process and make sure there are no issues.

There was no public comment.

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.

Commissioner Walker said per the public comment could the BIC get a report back on the 21st Street project. Mentioned permits taken OTC, and may expand to a conversation on serial permitting.

President McCarthy requested that Commissioner Walker receive the information regarding this property that Vice-President Mar received. Vice-President Mar said that they received the information regarding the permits that were available on the DBI website, but he asked if staff could explain to the public the process of those permits being issued by DBI.

Director Hui said that Deputy Director Sweeney sent an email summarizing how many plan reviewers there were for each department. Over the weekend Commissioner Mar asked how to get information online. The existing PTS system shows who the plan checker was, and if permits were issued. Mr. Steve Williams mentioned there were a number of permits, but not really. He

did not see any outstanding items, but people are looking at this property because of who the owner is.

President McCarthy said that he was fine with calendaring this item and the Commissioners could go over the details then. DBI should also notify the permit owner that there will be a hearing on the property.

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 the next Regular Meeting is February 18, and a Special Meeting for hearing the budget will be on February 3.

Commissioner Walker said regarding the HUD properties the BIC should engage the CEOP people in this process. There may be potential increases to the budget.

President McCarthy said to possibly schedule an item regarding partnerships involving HUD, CEOP, BIC, and DBI.

Vice-President Mar said he wanted an opinion from the City Attorney to see if there was a potential conflict of interest regarding the funding. He is concerned about Managers who are then funded to do tenant advocacy. If there is no conflict then he would like a good set of guidelines, so there is no problem with the RFP.

Vice-President Mar said regarding the Joint Planning and BIC meeting, it may be good to have a small meeting of a few Commissioners to plan the next topics for discussion.

President McCarthy said the BIC could be looking at April to hold this meeting. Also at the February BIC meeting there will be reappointment of President and Vice-President to be put on the calendar. He also asked Secretary Harris if the item had to be heard in February. Secretary Harris replied that the Elections are typically held in February, but there have been instances when it was postponed to March if all Commissioners were not available.

There was no public comment.

11. Review and approval of the minutes of the Regular Meeting of October 15, 2014.

Commissioner McCray made a motion, seconded by Vice-President Mar to approve the minutes of the Regular Meeting of October 15, 2014. The motion carried unanimously.

RESOLUTION NO. BIC 001-15

12. Adjournment.

Commissioner Walker made a motion, seconded by Vice-President Mar, to adjourn the meeting. The motion carried unanimously.

RESOLUTION NO. BIC 002-15

The meeting was adjourned at 1:27 p.m.

Respectfully submitted,

Sonya Harris

Sonya Harris
Commission Secretary

SUMMARY OF REQUESTS BY COMMISSIONERS OR FOLLOW UP ITEMS	
Request to agendize a report and discussion on the property at 3450-21st Street. – Walker	Page 15
Invite the CEOP group to attend the next meeting regarding HUD housing, and discuss partnerships with the BIC, DBI, etc. – Walker, McCarthy	Page 16
Schedule a pre-meeting of a couple of BIC Commissioners to discuss possible agenda items for the Joint Planning and BIC meeting. -- Mar	Page 16
Agendize Election of Officers for the February BIC Meeting. -- McCarthy	Page 16