



BUILDING INSPECTION COMMISSION (BIC)

Department of Building Inspection (DBI)

Remote Hearing via video and teleconferencing

NOTICE OF SPECIAL MEETING

Wednesday, January 26, 2022 at 11:00 a.m.

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ADOPTED MARCH 16, 2022

MINUTES

- 1. The Special Meeting of the Building Inspection Commission was called to order at 11:03 a.m. Call to Order and Roll Call.**

COMMISSION MEMBERS PRESENT:

Angus McCarthy, **President** Jason Tam, **Vice-President**
Alysa Alexander-Tut, **Commissioner** Raquel Bito, **Commissioner**
J.R. Eppler, **Commissioner**
Angie Sommer, **Commissioner**
Sam Moss, **Commissioner, Excused**

Sonya Harris, **Secretary**
Monique Mustapha, **Assistant Secretary**

CITY ATTORNEY REPRESENTATIVE

Robb Kapla, **Deputy City Attorney**

Ramaytush Ohlone Land Acknowledgement.

The Building Inspection Commission acknowledges that we are on the unceded ancestral homeland of the Ramaytush Ohlone, who are the original inhabitants of the San Francisco Peninsula. As the indigenous stewards of this land and in accordance with their traditions, the Ramaytush Ohlone have never ceded, lost, nor forgotten their responsibilities as the caretakers of this place, as well as for all peoples who reside in their traditional territory. As guests, we recognize that we benefit from living and working on their traditional homeland. We wish to pay our respects by acknowledging the Ancestors, Elders, and Relatives of the Ramaytush Ohlone community and by affirming their sovereign rights as First Peoples.

2. Discussion and possible action on the proposed budget of the Department of Building Inspection for Fiscal Years (FY) 2022/2023 and 2023/2024.

Deputy Director Taras Madison presented the following information:

- Budget Basics
- Financial Update: Revenues
- 10 – Year Revenue History
- Revenue and Expenditure Comparison
- FY 2021-22 Six-Month Actuals/Projections
- FY 2022-23 and FY 2023-23 Budget Instructions
- FY 2022-23 and FY 2023-24 Strategic Plan Goals/Funding Priorities
- Proposed FY 2022-23 and FY 2023-24 Budget Revenue Detail
- Proposed FY 2022-23 and FY 2023-24 Budget Expenditure Detail
- Proposed FY 2022-23 and FY 2023-24 Budget Major Changes
- Interdepartmental Services (Work Orders)
- FY 2022-23 and FY 2023-24 Budget Next Steps
- FY 2022-23 and FY 2023-24 Budget Schedule
- Budget Organization

Commissioner's Question & Answer Discussion:

Commissioner Alexander-Tut asked if there were staffing impacts expected and Deputy Director Madison answered that staffing impacts were not expected

President McCarthy asked what type of reductions could be done in the work orders?

Ms. Madison said it was not certain which reductions the Department would be seeking. However, the larger ones such as the Assessor's Office, Digital Services, Administration, and Fire costs would be researched for applicability going forward, as well as the City Attorney's Office, which lowered their costs based on prior years spending. The process would be two years, and the Department had not received the work orders from most Departments and those discussions had not happened.

President McCarthy asked would those Departments bring their recommendations to the Department of Building Inspection (DBI), and Ms. Madison said that once those recommendations were received the discussions would begin.

President McCarthy asked what would happen if a fee reduction is recommended again from the fee analysis?

Ms. Madison said she did not believe a fee reduction would be recommended as the expenditures were at \$90M but new money was only at \$56M. The prior reduction recommendation was based on major projects at that time where a lot of fees were collected,

because expenses had gone up by so much a fee reduction may not be anticipated by the study.

Deputy Director Madison said that the revenues were resembling FY 2011-12 and were a combination of a variety of things such as lower fees, and even when fees were lowered in FY 2015-16 if a permit was filed prior to that the Department still collected issuance fees on the higher fees, it was also based on plan checking and building permit revenues which were based on valuation and we had seen valuation of permits decrease and the number of permits decrease.

President McCarthy asked if the numbers were available for the reduction the City Attorney's Office made on their work order?

Ms. Madison said there was not a reduction in the work order last year, however the year-end report of 2021 showed the budget itself was not reduced, but there was almost \$7M in savings at the end of last FY which had to do with money that was left aside for the Department to move locations. When DBI received recommendation from other departments, we would show historically what the actuals are because there have been savings from work orders. Only last year there was a huge amount saved and the budget was not reduced and the total was not spent.

Commissioner Eppler asked for an explanation of the Assessor's Office services and what caused the increases?

Ms. Madison stated that the work order pays for Appraisers and normally any construction includes a reappraisal. DBI had been paying for the Appraisers to complete those and the number of Appraisers had grown.

Commissioner Eppler said due to the reappraisal the Assessor's Office would record higher property taxes and that job function seems to be theirs rather than DBI's.

Ms. Madison said that some of the work orders at DBI had been negotiated at a higher Citywide level and negotiations between the Departments were upcoming.

Commissioner Alexander-Tut asked why was the assessment of the Vacant Building fees low?

Deputy Director Madison explained the number was based on fees actually collected, the program was enacted right before the pandemic, but during the pandemic those fees were not collected and the Department would be meeting with Code Enforcement to see when those fees would begin to be collected again.

Commissioner Alexander-Tut asked what was the process of the Department assessing fines when there is a violation?

Ms. Madison said that the fines were not related to the fees, and that penalties would be discussed amongst the BIC, Code Enforcement, DBI, and the City Attorney's Office because the fee study was to be sure that the cost of permits were not being overpaid.

Commissioner Alexander-Tut asked if there was no nexus requirement for the fines than would

the BIC help create that policy within reason?

Director Patrick O’Riordan said the San Francisco Building Code is what defines what the penalties would be in relation to work without a permit or exceeding the permit. For example, for a project that had no permit the penalty would be nine times (9x) the valuation of the work that has been performed on the permit, which meant 9x the inspection fees related to the work that had been conducted. Penalties for exceeding the scope followed the same track as no permit penalties, however the penalty is two times (2x) instead of nine. Additional Code Fees were based on cost recovery for work performed by DBI to achieve compliance.

Commissioner Alexander-Tut asked where did the authority of the Building Code lay to review any changes?

Deputy City Attorney (DCA) Robb Kapla advised that the penalties were in the Building Code, which would be enacted by the Board of Supervisors and the BIC would hear any changes and pass along its consideration.

Commissioner Alexander-Tut asked were Housing violations included within the Building Code and under the Board of Supervisors (BOS)?

DCA Robb Kapla said the Housing Code was part of the Building Code and is overseen by the Building Inspection Commission and the BIC would hear any amendments.

Ms. Madison added that the fees would be brought before the Board of Supervisors as well for approval of any amendments.

President McCarthy asked in regards to the work orders, were there any requests for new work orders or do they come at a particular time of the year?

Ms. Madison said no work orders had been received, however emails from different departments had stated some increases going forward. Normally what would happen, is DBI was scheduled to submit its budget on February 22, 2022 and next steps discussion happen after the submittal. Some requests go directly to the Mayor’s Office rather than the Department. Most of what the BIC would see at the end was not the final budget, but the first phase to get it to the Mayor’s Office and then negotiations would begin.

There was no public comment.

Secretary Harris announced that the next budget meeting was scheduled for February 10, 2022.

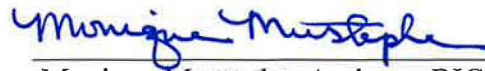
3. Adjournment.

Commissioner Eppler made a motion, seconded by Commissioner Alexander-Tut, to adjourn the meeting.

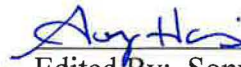
RESOLUTION NO. BIC 019-22

The meeting was adjourned at 12:00 p.m.

Respectfully submitted,



Monique Mustapha, Assistant BIC Secretary



Edited By: Sonya Harris, BIC Secretary