

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

SPECIAL MEETING

Wednesday, February 14, 2024 at 9:30 a.m.

City Hall, 1 Dr. Carlton B. Goodlett Place, Room 400

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PUBLIC COMMENT CALL-IN: 1-415-655-0001 / Access Code: 2662 486 3293

ADOPTED APRIL 17, 2024

MINUTES

1. Call to Order and Roll Call.

The Special meeting of the Building Inspection Commission was called to order at 9:37 a.m., and a quorum was certified.

COMMISSION MEMBERS PRESENT:

Alysabeth Alexander-Tut, **Interim President**

Evita Chavez, **Commissioner**

Bianca Neumann, **Commissioner**

Earl Shaddix, **Commissioner**

Angie Sommer, **Commissioner**

Kavin Williams, **Commissioner**

Sonya Harris, **Secretary**

Monique Mustapha, **Assistant Secretary**

D.B.I. REPRESENTATIVES:

Patrick O’Riordan, **Director, Excused**

Christine Gasparac, **Assistant Director**

Matthew Greene, **Acting Deputy Director, Inspection Services**

Neville Pereira, **Acting Director, Plan Review Services**

Alex Koskinen, **Deputy Director, Administrative Services**

Carl Nicita, **Legislative & Public Affairs Manager**

CITY ATTORNEY REPRESENTATIVE:

Robb Kapla, **Deputy City Attorney**

2. Discussion and possible action on the proposed budget of the Department of Building Inspection for fiscal years 2024/2025 and 2025/2026.

Mr. Alex Koskinen, Deputy Director of Administrative Services presented the following:

- Mr. Koskinen went over the budget schedule; the meeting was the second in a two meeting budget hearing for the Department. From March to April the BIC would recommend proposed legislation to adopt new fees and the fee adjustment process. In May the Mayor would propose the budget to the Board of Supervisors. Late July the Board of Supervisors adopt a final budget and in late August certification letters would be sent to the Controller and Mayor's Offices.
- Mr. Koskinen said the financial history slide explained the last twenty years and it had been updated from the January 2024 presentation to reflect the current budget proposal and the main highlight was to close the gap between the orange revenue line and the grey expenditure line before the yellow fund balance line runs out. This presentation was the tentative plan to achieve that by fiscal year 2027.
- Mr. Koskinen went over the reserves, there was \$35.9 million fund balance projected available at the end of fiscal year 2024.
- Mr. Koskinen said the Department needed to keep funds in reserve as things could change very quickly and in the current year revenues were coming in lower than projected. If revenues came in another two to three million dollars lower than projected for another year that would wipe out another \$4 million from the next two-year budget.
- Mr. Koskinen said this budget was not final but everything known was added. There were significant items out of the Department's control, and those results could be increased cost in the future that would be entered into the budget later and would not be part of the Department submission.
- It was expected that costs were going to increase across the board.
- The fee increases next year would be to generate \$11.7 million.
- Mr. Koskinen said regarding the expenditures the notable changes since the approved budget for 2023 were modest increases for safety and rain equipment, and there was a great need for supervisory training.
- Most of the changes in positions were due to new legislative mandates and new work the Department was doing and because of those new programs managers requested Permit Tech I to be moved up to Permit Tech II. The Department had less vacancies than was in the budget.

Mr. Koskinen read a statement regarding the Community Based Organization (CBO) grants as follows:

The Department supports the Code Enforcement outreach work and believes it is important. The grants were funded in both years. DBI's position was the grants should be funded by the General Fund and this was based on legal advice from City Attorney, input from the Department's fee study, conversations with the Mayor's Office, Controller's Office and members of the Board of Supervisors. The Department faced large deficits since the onset of the pandemic and the reserves were diminishing. A fee study was initiated to determine how much the Department needed to raise fees to recover costs and deliver our legally mandated services. Fees were increased fifteen percent in 2023 and were proposed to increase another eighteen percent in 2024

and there were two more increases tentatively. This was a challenging budget cycle and many other difficult budget decisions had been made, numerous internal request went unfunded that included the hiring of multiple plan check Engineers departments were expected to do more without increasing costs. The Department's mission was to ensure building safety and Code compliant construction, ensure habitability, enforce and implement seismic safety programs, manage public records, support the Permit Center and more. The Department was also a key partner in the economic recovery of San Francisco. Funding CBO grants with General Fund dollars will prevent adding additional costs to DBI fee payers that included homeowners and small businesses. We must avoid impact to the ability to build and unpermitted work. Although the proposed budget reduced CBO expenditure the amount was still at the same level as last year's actual spending.

Mr. Koskinen continued the presentation and made the following points:

- As part of the Mayor's budget instructions, DBI would submit a 5% contingency for additional reductions with its budget proposal.
- The FY2025-26 budget submission was not final, things were still coming in and changing. Also, after the Mayor makes its changes other departments submit cost changes, some discretionary but many were not.
- The most significant change proposed was a multimillion dollar increase to the Permit Center Work Order and the Department was working to identify what that was and hoped to keep that number where it is was.
- The fee study was done and identified increases to existing fees that could be supported and any added expenditures to the budget would be used by additional use of the fund balance.
- The new fees identified in the fee study would need to be codified into the Building Code and staff was drafting the legislation and will submit a draft Ordinance to be recommended by the BIC to the Board of Supervisors (BOS) to be presented in one to two months.

Mr. Koskinen said the meeting today was for the BIC to approve and recommend any changes.

Public Comment:

Mr. Jerry Dratler said DBI current fees recover seventy-three percent of actual cost and fees at one hundred percent cost recovery would increase by \$22.6 million dollars.

Following is a list of the speakers who provided public comment at the meeting (Please note: I apologize for any misspellings of the member's names.)

- Jean Garcia – SRO Family United Collaborative
- Becky Hom – Causa Justa (Just Cause)
- Lisa – Chinatown Community Development Center (CCDC)
- Spanish Interpreter
- Audrey Martinez
- Adina Parino – South East Tenant
- Wansa Gomez – Mission Housing
- Jin Wa Chin
- Jaime Fonseca – Housing Rights Organization

- Honica, Tenant
- Celia – Filipino network, works in SOMA
- Ms. Gutierrez, Tenant
- Lucia – Causa Justa
- Amil – Dolores Street Services
- Lisa Morales, Tenant
- Anthony – Code Enforcement Outreach Program (CEOP)
- Karen Taylor – Central City SRO Collaborative Counselor
- Peter Rink – SRO Collaborative PEER Counselor
- Jose, Tenant
- Pratibha Tekkey – Tenderloin Housing Clinic (THC)
- Yong Yu Lei – Chinatown SRO Collaborative
- Ya Hing Len, Tenant
- Jack Jang – CEOP & SRO Collaborative
- Lee Ching Wu, Tenant
- Yen Show Tan, Tenant
- Lui Chin He, Tenant
- Shao Ping Wong, Tenant
- Mao Gin Jun, Tenant
- Jung Lee Wong, CCDC
- Shao Lin Jeng, SRO Family Collaborative
- Mr. Panetta – Causa Justa
- Charlie Goss – SF Apartment Association
- Molly Goldberg – SF Anti-Displacement Coalition

Representatives from the following community organizations presented and gave their testimony of how the Community Based Organization (CBO) grants had affected their lives:

- SRO United Family Collaborative, Southeast Tenant Association, Housing Rights Commission, Mission SRO Collaborative at Delores Street Community Services, South of Market Community Action Network, Capitan Hotel tenant testimony, District 9 displaced tenant, Lisa , Code Enforcement Outreach Program Community Organization, Central City SRO Collaborative, Tenderloin Housing Clinic, Chinatown SRO Organizers, Chinatown Progressive Organization, Jobs with Justice San Francisco, San Francisco Apartment Association, San Francisco Anti Displacement Coalition, Housing Rights Community of San Francisco

Commissioner' Questions and Comments:

There was extensive discussion and debate between the Commissioners in regard to the Department's fee study, budget proposal recommendations and submission to the Mayor's Office.

Commissioner Williams said he was opposed to submitting the proposed budget and was not pleased with the slide show presented as a proposal.

Commissioner Williams requested to see the full budget that would be submitted to the Mayor's Office and an alternative budget that showed a full cost recovery.

Commissioner Sommer thanked the attendees who made statements during public comment and said that she understood the budget process was difficult and there were restraints on all sides.

Commissioner Shaddix thanked the attendees who made public comment and said his first meeting was a budget meeting and the fee study was the topic.

Commissioner Shaddix said he remembered that the Commission voted to increase the fee amount beyond what was asked and at that time he made a motion. There was plenty of money to continue funding the CBO programs, yet the same issue was recurring although the Commission has repeatedly said they support the Department’s funding the CBO programs.

Commissioner Neumann said there would not be a balanced budget until the Department began to received revenues projected from the fee study and DBI is an enterprise department, so it is subjected to the whims of the industry.

Commissioner Neumann said the fee study would be approved by legislative action that was not happening for a few months, and she was not willing to put a hold on the budget due to the timeline of the fee study.

Commissioner Neumann said the BIC has seen the fee study and knew how it would be phased in and it was their responsibility to ensure the Department continues to operate. She commended Deputy Director Koskinen for his budget presentations and the budgets were published publicly.

Commissioner Neumann went on to explain her connections to San Francisco and she strongly supports the CBO programs, but did not believe at the time the program should be in the Department’s budget.

Commissioner Chavez said she would not hold up the budget process, but she was in support of the CBO programs and everyone was in a difficult position.

Commissioner Williams made a motion, seconded by Commissioner Neumann, to recommend approval of the proposed budget with the recommendation to the Mayor’s Office to reevaluate the Department’s fee revenue once legislation was introduced to amend the Building Code to adopt the new Fiscal Year 2025 fees.

Secretary Harris Called for a Roll Call Vote:

Interim President Alexander-Tut	Excused
Commissioner Chavez	Yes
Commissioner Neumann	Yes
Commissioner Shaddix	Yes
Commissioner Sommer	Yes
Commissioner Williams	Yes

The motion carried unanimously.

RESOLUTION NO. BIC 007-24

3. Adjournment.

Commissioner Shaddix made a motion to adjourn the meeting, which was seconded by Commissioner Chavez.

The motion carried unanimously.


RESOLUTION NO. BIC 008-24

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

Respectfully submitted,



Monique Mustapha, Assistant BIC Secretary



Edited By: Sonya Harris, BIC Secretary