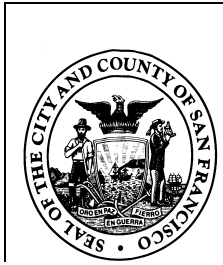


***BIC Special
Meeting of
March 20, 2024***

***Agenda Item 10
Special Meeting Minutes
of January 11, 2024***



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

SPECIAL MEETING

Wednesday, January 11, 2024 at 9:30 a.m.

City Hall, 1 Dr. Carlton B. Goodlett Place, Room 408

Watch SF Cable Channel 78/Watch www.sfgovtv.org

WATCH: <https://bit.ly/3TFIJj5>

PUBLIC COMMENT CALL-IN: 1-415-655-0001 / Access Code: 2661 153 7543

DRAFT MINUTES

1. Call to Order and Roll Call.

The Special meeting of the Building Inspection Commission was called to order at 9:40 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**

Christine Gasparac, **Assistant Director**

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

Neville Pereira, **Deputy 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 of the Department of Building Inspection Draft Comprehensive User Fee Study Report.

Mr. Alex Koskinen, Deputy Director of Administrative Services, gave a presentation regarding the Department of Building Inspection Draft Comprehensive User Fee Study Report, and discussed the following items:

- Department of Building Inspection
- Comprehensive User Fee Study
- Authority to Charge
- Fee History
- Fee Study Findings Overview
- Staff-Recommended Fee Amounts
- Staff Notes Regarding Volume
- Community Based Organizations (CBO) Funding
- Findings Table
- Method of Analysis
- Cost of Service Analysis
- Fully Burdened Hourly Rates
- Comparative Fee Survey
- Fee Comparison Summary
- BIC Fee Adjustment Timeline

Public Comment:

Ms. Becki Hom, Director of Contracts & Services at Causa Justa (Just Cause), stated that it is important that Community Based Organizations (CBOs) are considered as part of the cost recovery amount. It is not sustainable for CBOs to be in the General Fund, which removes other services. Ms. Hom said that taking \$4.8M from the General Fund takes away money from other communities and issues that people are dealing with in their lives. Also, she wants to make sure that CBOs are part of the fee study.

Ms. Maria Zamudio, Interim Executive Director of the Housing Rights Committee of S.F. (HRC), said most of the Commissioners are probably familiar with Fred Sherburn-Zimmer who is currently on sabbatical. She stated that DBI should ensure that CBO funding is integrated in the budget, and she appreciated that staff included it in the fee study, and it is an important part of the department's effectiveness. It puts CBOs in a competitive relationship with other City services – It makes the entire city unable to be funded. The organizations received \$4.8M, actually less than the \$5.2M, and they need an increase for their workers. HRC would like well compensated workers, so they are asking for an increase to \$5.6M. She is looking forward to partnering with DBI.

Ms. Sanika Mahajan, Director of Community Engagement & Organizing at Dolores Street Community Services, said that they are part of the Code Enforcement Outreach Program (CEOP). Their program has been doing work for decades, and they do not want to compete with other organizations. They make sure that DBI is access language compliant. CEOP programs should not be in the General Fund, and they want to have their budget to the full amount to preserve housing rights and worker's rights.

Commissioner's Question and Answer Discussion:

There was extensive discussion regarding this item, and following are some of the questions and comments.

- Commissioner Williams said it was stated that the spike in fees would unduly burden the stakeholders. He asked what classifies stakeholders?
- Deputy Director Koskinen said that it may be helpful to go to the fee schedule, page 1A-2 in the fee study to view the first schedule. He explained by using an example, and said that it would be more than a 100% increase, and staff thought that was high.
- Commissioner Neumann asked if this was the base amount with the 15% increase in place? Mr. Koskinen said it included the 15%.
- Commissioner Neumann confirmed that Mr. Koskinen said the consultant overestimated the cost (\$65 - \$75M) – How is he accounting for the fees?
- Mr. Koskinen stated that DBI is using the consultant's fees, but not their valuation/revenue. The Department looked at trends, and all of the volume numbers seem on the high end.
- Commissioner Shaddix asked if the consultant recommended an annual fee study?
- Mr. Koskinen clarified that the consultant recommended an annual fee increase, and to make small adjustments annually.
- Commissioner Sommer said that there is the consultant's assessment of revenue, but DBI acknowledged that it is broadly lower based on reality.
- Mr. Koskinen said yes there was a discussion with the consultant and they used the industry standard, since they are putting their name on the fee study so they are avoiding over recovery.
- Commissioner Sommer said that revenue is projected to be lower, so DBI is not getting close to full cost recovery. Mr. Koskinen said that DBI is getting closer to full cost recovery.
- Commissioner Sommer stated that the comparison to other jurisdictions is not apples to apples, since the Department is still proposing for lower fees than other major cities.
- Mr. Koskinen said based on analysis, DBI calculated rate based on a formula so he is not sure why the numbers are higher in other jurisdictions.
- Commissioner Neumann asked what is the Department's approach and timeline to get to full cost recovery? It would be good for developers to know expectations over time.
- Mr. Koskinen said the goal is by FY '27 to reach full cost recovery.
- Interim President Alexander-Tut stated that she shared the concern about not having full

cost recovery. She thanked the Department for their thinking and leadership, but said she did not hear any comment about putting CBOs in the budget. She also asked why some of the re-inspection fees were eliminated, since that is staff time. She gave an example of Table 1A/G.

- Mr. Koskinen said that he would clarify this with red line edits.
- Interim President Alexander-Tut asked if the recommendations were from MBC or staff? Mr. Koskinen said they were from staff. She also asked if there was a staffing difference between DBI and other departments.
- Director O’Riordan said that he meets with major jurisdictions every other month, and they have the same challenges as San Francisco’s Building Department.
- Interim President Alexander-Tut mentioned the hotel license fees, and said that DBI was doing 100% for most, except two lines.
- Mr. Koskinen provided the formula and explained how this was calculated. He stated that the Department was trying to limit the impact on large apartment owners, and the same with hotels.
- Interim President Alexander-Tut asked if the fee study was approved in the budget cycle?
- Mr. Koskinen said that there are two separate things: 1) Budgeted amount. 2) Fee trailing legislation.

3. Adjournment.

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

The motion carried unanimously.

RESOLUTION NO. BIC 001-24

The meeting was adjourned at 10:43 a.m.

Respectfully submitted,



Sonya Harris, BIC Secretary