

Chicago Department of Buildings

2016 Budget Statement to the City Council
Committee on the Budget and Government Operations

October 1, 2015

Judy Frydland, Commissioner

Good morning Chairman Austin, Vice Chairman Ervin and Aldermen of the City Council. I am very happy to be here today to discuss the 2016 budget request for the Department of Buildings (DOB). I am grateful for the opportunity to serve Mayor Emanuel and the members of the City Council and work in partnership to support the economic development of our thriving city and the safety and quality of life for its residents through the administration of the Chicago Building Code.

As the new commissioner, the Mayor tasked me with improving services that support the economic growth of our great city. As a result, this summer, the Department completed a broad and extensive review of our permitting and inspection operations and we are taking steps to streamline our processes, improve our services and reduce the time it takes to obtain a building permit. As part of the 2016 Budget, we are proposing new building permit reforms that will reduce the time to issue permits by one week. These reforms ~~initiated this year~~ include process improvements for foundation-only permits and projects that require special permission from the Committee on Standards and Tests, modernizing field inspections, allowing licensed design professionals to certify fire and structural corrections and the expansion of projects that can be self-certified by licensed design professionals. My goal is to continue to work with the industry and garner their input as we move forward on these initiatives.

Let me share with you more details about these and some of our other key accomplishments from 2015.

Permit Update

DOB has issued a total of 29,222 building permits as of August 31, 2015, including Standard Plan Review, Developer Services and Easy Permit Process. This represents an increase of 625 permits compared to the same period in 2014, or an increase of 2.2 percent, and the highest number of permits issued in five years in that time frame.

Additionally, DOB has issued 5,406 permits to date in 2015 through the Standard Plan Review and Developer Services process in Chicago neighborhoods (excluding the Central Business District), an increase of 2.5 percent compared to same permits issued during the same time period.

E-Plan

In July 2012, DOB fully implemented E-Plan, which facilitates multiple discipline review and tracking of projects through every step of the process. Since E-plan was established, DOB has issued nearly 30,000 permits through this electronic plan review system. Bringing multiple and simultaneous reviews onto one-system. Also, making this a 100 percent paperless process, bringing transparency and 24/7 access to our customers -- saving thousands of trips to City Hall.

Our E-Plan system is considered a best practice model in North America and abroad. In fact, DOB has been asked to provide E-Plan demonstrations for several government officials this year, including City of Los Angeles (CA), the City of Austin (TX), the City of Houston (TX) the City of Boise (ID), DeKalb County (GA) and the City of Markham (Canada).

Inspection Update

DOB performs a wide variety of inspections each year, including annual technical inspections for buildings, signs, elevators and other devices; permit inspections; restaurant and other small business inspections; carnival rides and stages to ensure life safety during summer events; and thousands of inspections in follow-up to complaints coming into the 311 CSR system with regard to local homes or businesses that may not be in compliance with the Municipal Code.

Our inspectors completed an estimated 140,000 inspections as of August 31, 2015, which include an estimated 33,500 complaints received via 311. To date in 2015, DOB has responded to nearly 20 emergency incidents including inspecting buildings post-fire and other incidents related to building structures.

DOB continues to examine ways to streamline inspection operations while continuing to ensure public safety and enforce the City's Code.

Building Permit and Inspection Reforms

The following building permit and inspection reforms are part of the 2016 budget, some of which we have already initiated and will streamline the processes, increase transparency and reduce the time it takes to obtain a building permit.

- Design professionals may now certify plan corrections for Fire and Structural corrections.
- Self-certification architects may now use the self-certification process for porch permit applications.
- The time-to-permit banner is posted on the DOB website with real-time metrics highlighting both the time with the City and with the building permit applicant.
- Moving select issues with multiple submissions to the Committee on Standards and Tests to Administrative Adjustments.
- Bringing the review of all foundation permits in-house.
- Further expansion of the AIC program to include high-rise buildings that have passed their most recent inspection in the past 2 years.
- Modernization of field inspections through ongoing Hansen upgrades, as well as, further automating inspections internally and in the field.

Building Permit Fees

Along with streamlining the permitting process to reduce the time it takes to issue permits by one week, the City is updating building permit fees for the first time since 1999. The permit fees beginning in 2016 will better reflect the increased cost of doing business in the last 15 years and bring fees more in line with other major cities.

In reviewing the permit process for building reforms, the Department reviewed the costs for permit review and issuance. These costs have increased by 75% over the last decade and are projected to go up another 25% in the next three years. While the cost to issue building permits has increased, the City has not increased permit fees since 1999. The City did review building permit fees in 2008 to create a more consistent and revenue neutral formula when calculating permit fees.

The proposed permit fee increase shifts the burden of building permit costs from all taxpayers to building owners, contractors or developers that are pulling permits for renovation and new construction. These efforts ensure the building permit fee structure is more in line with other large municipalities and tracks with labor costs without sacrificing safety.

The building permit fees that impact larger scale construction projects and require significantly more work from the Department will be increased on average by 60 percent. The actual increase for each permit will depend on the complexity of the building and complexity of the project. For example, a \$1 million project in Los Angeles would cost at a minimum \$4,147 plus many additional costs, and in Chicago, that same permit can cost as little as \$1,000.

The City's proposed fee increases for 2016 are designed to have minimum impact on single-family home construction with an overall average increase of 25%. Many single-family home projects do not require a permit, and that will remain unchanged, including installing or replacing flooring, cabinets, dry wall (under 1,000 square feet), garage doors, gutters, and fences five feet or lower.

By modernizing the fee structure to align with rising costs and bring Chicago more in line with other major cities, the City anticipates increasing revenue by as much as \$13 million in 2016.

Communication Strategy

Building upon our regular communication with Aldermanic offices, in 2015, DOB continued ongoing communication to the design professional community, industry partners and the public at large, including:

- Regular e-mails to the design professional community notifying them of important updates to permit and inspection processes.
- Active social media accounts on Twitter and Facebook highlighting important DOB events and public safety information.
- Continued conversations with industry partners to listen to their ideas and explore additional opportunities to streamline our processes, identify policy initiatives and evaluate potential code updates.

I want to partner with each of you to ensure we are communicating these reforms and new fee structure to every stakeholder and resident. Our goal is to continue our ongoing communication to City Council members including daily reports on permit applications and monthly reports on all buildings referred to DOAH and Circuit Court. You may also continue to contact Ms. Earnestine Black who can assist on any questions or concerns you may have.

Targeted Programs

Demolitions

DOB works closely with the Chicago Police Department (CPD) to identify, secure and in some cases, demolish vacant buildings that can serve as a hub for criminal and gang activity. That successful working partnership with CPD continues, and to date in 2015, DOB has demolished 182 buildings to remove these hubs of violence from our communities. Additionally, DOB has boarded up and secured 2,138 properties to date in 2015.

In addition to working with CPD, DOB also received 5,856 vacant building related calls to 311 to date in 2015 and the DOB Demolition unit inspections have led to nearly 600 cases on the demolition call in Cook County Circuit Court. As of September 2015, 7,192 vacant buildings have been registered as required under the vacant building ordinance.

Strategic Task Force (STF)

DOB's Strategic Task Force (STF) works closely with CPD and the Department of Law to keep neighborhoods and school passages safe by holding building owners responsible for activities inside their building, encouraging landlords to properly screen all new tenants and taking action against those that are destroying communities. This includes the enforcement of the Drug and Gang House Ordinance and the Responsible Establishment Safe Neighborhood Initiative (RESN), which targets troubled businesses.

So far in 2015, STF has conducted approximately 207 inspections of buildings referred to DOB by CPD, including 27 inspections of troubled business, of which 20 businesses were determined to have dangerous and hazardous conditions and were closed down. STF will continue to actively partner with CPD in 2016.

Signs

As of August 31, 2015, DOB inspected 9,912 signs and issued 388 sign violations. These violations resulted in more than \$63,000 in fines.

I would like to acknowledge my colleagues at DPD/Zoning, BACP, and Law on the coordinated efforts on signs. For the last three years, we have been meeting on a weekly basis to coordinate efforts on process and enforcement.

Life Safety Evaluations

For many years, the Department has been diligently working to get buildings to achieve compliance with the Life Safety Evaluation ordinance. There are a total of 732 pre-1975, high-rise buildings that require LSE reports.

To date, 202 are in compliance with the ordinance. In January 2015, DOB referred 154 buildings to Circuit Court for enhanced enforcement. Of these, 24 buildings are now in compliance.

The remaining buildings are in various stages of compliance and DOB is working closely with these buildings to meet the LSE requirement.

Problem Landlords List

The Problem Landlords List identifies residential building owners repeatedly cited for failing to provide tenants with basic services and protections, such as adequate heat, hot water, and working smoke and carbon monoxide detectors. Those on the list have been found liable in two or more Administrative Hearing cases within a 24-month period and have three or more serious building code violations.

The ordinance provides for a number of penalties to incentivize better conditions for renters, improved maintenance of their buildings and compliance with the Chicago Municipal Code. Building owners who appear on the list will not be able to obtain business licenses, receive zoning changes, acquire city land or receive financial assistance like Tax Increment Financing (TIF), or obtain building permits not related to addressing their violations. The most serious offenders, who have already been found liable by a hearing officer or a judge and have failed to comply, could be subject to forfeiture or receivership to third parties who can provide for the life safety and welfare of the residents in their buildings.

The Problem Landlord List was first published on January 27, 2015, and consisted of 45 properties and 54 landlords. Since that time, five properties and seven owners have been removed from the list. The Department of Buildings, in conjunction with the Department of Law, is scheduled to publish a new list in January 2016.

Moving Forward

Chairman Austin, Vice Chairman Ervin and members of the City Council, during 2015, DOB has taken many steps to make our department more user friendly, efficient and transparent and we will continue to do so. Our efforts are focused on reducing the time it takes to obtain a building permit and provide better services to residents. We look forward to our continued collaborative partnerships with Aldermen, residents, businesses, the design professional construction industry and our sister agencies to ensure that Chicago buildings remain safe.

Department of Buildings

2016 Budget Hearing

MBE/WBE Contracting Data

Period: 1/1/2015 – 8/31/2015

Total Purchases: \$9,415,786.89

<u>MBE/WBE Spend</u>	
WBE:	\$327,905.32 (4%)
Asian MBE:	\$261,271.58 (3%)
African-American MBE:	\$2,695,337.60 (28%)
Hispanic MBE:	\$0 (0%)
Total Purchases:	\$3,284,514.50 (35%)

Staffing Data

Department Ethnicity and Gender				
	Male	Female	Total	%
Asian	6	3	9	4%
Black	45	29	74	28%
Native American	2	0	2	1%
Hispanic	38	9	47	18%
White	116	11	127	49%
Total	207	52	259	100%
	80%	20%		

New Hires Ethnicity and Gender				
	Male	Female	Total	%
Asian	1	0	1	14%
Black	1	1	2	29%
Hispanic	1	0	1	14%
White	2	1	3	43%
Total	5	2	7	100%
	71%	29%	100%	

Department Managers Ethnicity and Gender				
	Male	Female	Total	%
Asian	1	1	2	40%
Black	0	1	1	10%
Native American	1	0	1	10%
Hispanic	0	0	0	0%
White	1	1	2	40%
Total	3	3	6	
	50%	50%	100%	100%

Interns

School	Gender	Race
Carthage College	Male	White
Central College	Female	White
DePaul University	Female	Asian
DePaul University	Female	Asian
IIT	Female	Hispanic
IIT	Female	Asian
IIT	Male	Asian
IIT	Male	Hispanic
Intrax	Female	Asian
Intrax	Male	Asian
Illinois State University	Female	White
John Marshall	Female	African American

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Kent	Male	White
Kent	Male	White
Kent	Male	White
Lake Forest	Male	White
Lawrence University	Female	Asian
Loyola University	Female	Asian
Northeastern Illinois University	Male	White
Northwestern University	Male	White
Northwestern University	Male	White
Northwestern University	Female	White
Robert Morris	Male	African American
Tulane University	Female	White
University of Chicago	Male	Asian
University of Chicago	Male	Asian
University of Chicago	Female	Asian
University of Chicago	Female	Asian
University of Illinois	Male	White
University of Illinois	Male	Asian
University of Illinois at Chicago	Male	Asian
University of Illinois at Chicago	Male	White
University of Illinois at Chicago	Female	Asian
University of Illinois at Chicago	Male	White
University of Illinois at Chicago	Female	Asian
University of Illinois at Chicago	Male	Asian
University of Illinois at Chicago	Male	Asian
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University of Illinois at Chicago	Male	Asian
University of Illinois at Chicago	Male	Asian
University of Illinois at Chicago	Female	Asian
University of Illinois at Chicago	Female	White
University of Illinois at Chicago	Male	African American
University of Illinois at Chicago	Male	Asian
University of Illinois at Chicago	Male	Asian
University of Illinois at Chicago	Female	Asian
University of Wisconsin	Female	White
University of Wisconsin	Female	Asian
Valparaiso University	Male	Hispanic

DOB Organizational Structure

