

Chicago Department of Buildings

2017 Budget Statement to the City Council
Committee on the Budget and Government Operations

October 20, 2016

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 2017 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.

When I became Commissioner in June 2015, my first order of business from the Mayor was to find new ways to speed up the issuance of permits, and we have since instituted multiple reforms to do so. The reforms include the expansion of certified corrections and self-certification, the issuance of Code Memorandums to address new technologies and modernizations not yet covered in the code, the review of all foundation permits in-house and assisting through the Office of the Underground, reducing the time for permit issuance by as much as eight weeks. We also expanded the Annual Inspection Certification (AIC) program for third-party elevator inspections to include high-rise buildings that have passed their most recent inspection in the past two years.

In 2016, through the help of the City Council, we streamlined the permit payment process which is our most effective reform. Now instead of weeks going by while the project manager and the architect spend time figuring out what the 50 percent deposit should be on a permit application, and the architect or expeditor spending more time to collect the money from the owner to make the deposit, it is now simply \$300.00. Everyone knows exactly how much is needed to apply for a permit, \$300 plus the \$75 zoning fee. We collect the remaining amount when the building permit is issued.

We also instituted a pilot program for large development projects that require third-party reviews. An applicant can now opt to contract directly with the third-party vendor at any time during the review process - even at the beginning of the design phase. This allows immediate feedback on what is permissible, what may need to go to standards and tests or need administrative adjustment. To date, we have issued 40 building permits in an average time of less than three months – reducing the time for permit issuance by approximately six weeks.

By year-end, we will roll out new hand-held tablets for 130 inspectors that allow them to directly enter inspection results on site, saving the time of going back to the office where they

have to take the time to enter the data. Approvals are entered in real time freeing up inspector time to conduct more inspections.

On February 23, 2016, the Mayor announced we are fast-tracking the demolition of vacant buildings in high-crime police districts. Since the program announcement, we have demolished 269 buildings, and of these, 147 buildings were in the 7th, 9th and 11th police districts.

We moved quickly on this initiative though we are also focused on saving vacant buildings where we can. We formally rolled out our Forfeiture Program in April 2016 to encourage redevelopment of vacant property through third-party ownership assigned in housing court. DOB has received 180 applications to date and completed 18 forfeitures on buildings that will now be renovated for viable housing. We continue to meet with community groups and developers to educate them on the new program.

We have also been working closely with the department of Planning and Development and Community Investment Corporation and have initiated relief for Electrical, Plumbing, HVAC and Energy codes to further encourage redevelopment of affordable residential buildings throughout our city.

We also reinstated the Electrical Commission after 14 years to review our electrical code to reflect new technologies that will give us a state of the art code.

Finally, we are announcing new single-family homeowner reforms that triage home renovation permits with plans to the front of the line for permit issuance in 30 days or less, and provide enhanced customer service for home renovation permits requiring special zoning and landmark approvals.

Implementing all of these reforms has reduced the overall time to permit by two weeks, allowing us to meet the increase in the number of permits issued for new construction and renovation projects of all sizes.

As of September 30, 2016, the Department of Buildings issued a total of 35,959 building permits, an increase of 2,127 permits as compared to the same time in 2015, or 6.3 percent. And in the first three quarters of 2016, the city has collected \$31,485,107 in building permit fees representing an increase of \$9,960,985.74 as compared to the same time period in 2015, or nearly 31 percent.

There are currently 44 high-rise buildings under construction, and 28 tower cranes are operating on construction sites in the city with six more tower cranes pending installation. To date in 2016, 30 tower cranes have been erected – that's six more than all of 2015 and the highest number in 10 years.

To keep up with the additional permit applications that also require inspections, to date in 2016, we have hired eight new inspectors and two structural engineers, and we expect to hire 11 additional inspectors by year-end 2016.

Over the past year I have worked closely with industry leaders to garner their feedback and open lines of communication including HACIA, Southside Builders Association, Federation of Women Contractors, AIA Chicago, Greater Austin Developers Association, and West Central Association to name a few. This June we were pleased to welcome the Latino Workers Safety Center (LWSC) as a valued partner in training and industry collaboration. As you are aware, the LWSC is a non-profit that provides occupational health and safety training to people in the construction industry including workers whose primary language is Spanish. LWSC was approved to be a certified provider of scaffolding safety training which is required for all companies and workers providing scaffolding services in the City. The addition of LWSC as a certified City trainer will enhance the opportunity for growth of business opportunities and good paying jobs in the Hispanic community.

Let me share with you additional details about these and some of our other key accomplishments from 2016.

Permit Update

Of the 35,959 permits issued as of September 30, 2016, 147 were issued through Developer Services, 8,360 through Standard Plan Review, 27,420 through the Easy Permit Process and 32 permits were issued through our pilot program, Direct Developer Services.

E-Plan

In July 2012, DOB fully implemented E-Plan, which provides transparency, 24/7 access, real-time approvals and simultaneous review. Since E-Plan was implemented, DOB has issued nearly 40,000 permits through this electronic plan review system -- saving thousands of trips to City Hall.

Our E-Plan system and other permitting and inspection processes are considered best practice models in North America and abroad. To date in 2016, DOB has hosted international delegations from Korea, China and Shanghai and provided guidance via teleconference to DeKalb County, Georgia.

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 144,049 inspections as of September 30, 2016 which include an estimated 39,862 complaints received via 311. To date in 2016, DOB has responded

to nearly 25 emergency incidents including inspecting buildings post-fire and other incidents related to building structures.

Communication Strategy

Building upon our regular communication with Aldermanic offices, in 2016, 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.

We will 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

Vacant Buildings

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 with the focus on vacant buildings in high-crime districts. To date, DOB has demolished 253 buildings to remove these hubs of violence from our communities. Additionally, DOB has boarded up and secured 1,374 properties to date in 2016.

In addition to working with CPD, DOB also received 6,113 vacant building related calls to 311 to date in 2016 and the DOB Demolition unit inspections have led to nearly 672 cases on the demolition call in Cook County Circuit Court. As of October 1, 2016, 7,381 vacant buildings have been registered as required under the vacant building ordinance and DOB completed 9,762 troubled building complaint inspections.

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 2016, STF has conducted approximately 7,880 inspections of buildings referred to DOB by CPD, including 56 inspections of troubled business, of which 42 businesses were determined to have dangerous and hazardous conditions and were closed down. STF will continue to actively partner with CPD in 2017.

Signs

As of October 1, 2016, DOB inspected 306 sign complaints and issued 671 sign violations. To date 116 cases have been filed at Administrative Hearings and more than \$48,400 in fines have been assessed.

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 731 pre-1975, high-rise buildings that require LSE reports.

To date, 455 are in compliance with the ordinance, 86 have opted to install a full sprinkler system, 17 were determined that LSE was not required, 70 are scheduled for re-inspection and 103 are currently working toward compliance in Circuit Court.

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 updated last summer and consists of 18 properties and 21 landlords.

Moving Forward

Chairman Austin, Vice Chairman Ervin and members of the City Council, during 2016, you can see these are exciting times at the Building Department. We have been very busy in 2016 creating a building department that is responsive to those that invest in our city and in our neighborhoods and to all that live or visit our Chicago home. Our senior management has been working tirelessly on all of these initiatives and they are completely committed to our mission. This is truly a team effort. We want to be supportive in every way possible so that Chicago is known as being welcoming to all.