

Chicago Department of Buildings

2020 Budget Statement to the City Council Committee on the Budget and Government Operations

November 6, 2019

Judy Frydland, Commissioner

Good morning Chairman Dowell, Vice Chairman Silverstein and Aldermen of the City Council. I am pleased to be here today to discuss the 2020 budget request for the Department of Buildings (DOB). I am grateful for the opportunity to serve Mayor Lightfoot and the members of the City Council and work in partnership to support the economic development of our city and the safety and quality of life for its residents through the administration of the Chicago Building Code.

Chicago's building industry continues to thrive, and the DOB is working hard to support construction and equitable investment in all 77 communities that make up our city. Since 2015 we have implemented several reforms that make it more cost-effective to build and easier to obtain permits through a streamlined, more user-friendly process. As a result of our efforts to streamline the permit process and enhance customer service, together with Chicago's ongoing new construction and renovation projects, we are on track to issue a record-breaking number of permits in 2019. By year's end, we are projected to issue more than 50,000 permits, surpassing our previous high mark of 47,356 building permits in 2017. To me every permit is exciting because it's an investment in Chicago, whether it's a foundation permit for a new skyscraper, a conversion of an existing building for a business that's expanding here, a renovation project to help a family grow in the home and neighborhood they love, an entrepreneur's first brick and mortar establishment or new affordable housing units.

In an effort to increase transparency, the DOB is working with the Department of Information Technology (DoIT) on a multi-year effort to migrate from a range of outdated systems used to support permitting and inspection functions (Hansen 7 and Kneebone) to the IPS 11 platform used by other similar departments. This initiative is designed to eliminate the Department's remaining manual paper-based permitting and payment processes and will reduce the time to permit and also provide enhanced public data regarding permits, licenses and inspection results. In the next two years the Department plans to move all remaining permit processes online such as easy permits, so working homeowners and small business owners can apply for permits 24/7 and not be limited to City business hours.

This year Chicago made history with the adoption of the first full rewrite of the Chicago Building Code in 70 years. Following on the successful implementation of the new Electrical Code and Conveyance Devices Code in 2018, the DOB worked closely with the Departments of Fire, Health, Planning and Development, and the Mayor's Office for People with Disabilities, the International Code Council and more than 150 volunteer technical experts, industry members, and advocates to rewrite the code and earn City Council approval in April 2019. The new building code sets Chicago closer to national standards in key areas such as building planning, fire safety, building

rehabilitation, and promotion of energy efficiency. The modernization of construction codes also dually serves to encourage new development as well as preservation of historic buildings. With rising construction costs and a dire need for more affordable housing, the new code's flexibility and expanded options for cost-effective construction will be more important than ever. The new code was just published in mid-October by agreement with the International Code Council and is available to all stakeholders free-of-charge online.

In 2020, the DOB will continue a 14-month long process that began back in May 2019 to phase in the new building code. In June 2019 we implemented a new Chicago Energy Code that is based on the latest edition of the *International Energy Conservation Code*. These requirements will help further the City's commitments to improving the efficiency and sustainability of our building stock by providing guidelines for reducing air pollution, moderating energy demand and stabilizing energy costs and electric, oil and gas supplies. In spring 2020 the retroactive minimum standards for existing buildings will take effect. The code will become optional for permit applications on December 1 of this year and mandatory on August 1, 2020. The Department is conducting training internally to be ready for applications by December and inspections next year. The Department will offer update training to self-certified architects on December 2-4, 2019 as well as a "Self-Cert Code Modernization Class" on December 10, 2019.

In 2020 and through 2021 the DOB will continue its multi-year process to modernize the Chicago Building Code by reviewing and rewriting requirements for plumbing, mechanical ventilation, refrigeration, natural gas, hazardous occupancies, signs and trade licensing. As with other code updates, the Department will work with technical experts, industry members, advocates and stakeholders to review and draft the updated codes.

I'm very excited about the impact Chicago's more flexible building code will have to enable more cost-effective construction in communities throughout our city. For instance, it opens up new possibilities for rehabilitation and reuse and repurposing of existing buildings. As recommended by the Urban Land Institute, the code adopts more flexible requirements for rehab work to encourage the reuse of smaller, older buildings. This will provide greater flexibility for homeowners seeking to maintain or expand their homes, whether they live in houses, two-flats or larger apartment buildings. The added flexibility can also bring down the cost of projects like the adaptive reuse and repurposing of schools, retail buildings, and vacant buildings throughout the city. This will be a critical tool to encourage more investment in the South and West Sides of the city.

One of the most successful recent reforms to save residents money is our alternative plumbing materials program which allows new residential buildings up to four stories to apply to use PVC for drain waste and vent pipe. To encourage the reuse of existing buildings, existing buildings up to four stories of any occupancy may also participate in the program. More than 1,000 projects have participated and the program has saved more than \$20 million for building owners and small developers working on projects throughout the City including affordable housing.

Trade licensing is also a major role of the Department. We license 12 different trades and regulate more than 29,000 licensees. While the overwhelming majority of licensed contractors are responsible and reputable, we have a handful of bad actors that were putting enormous demands

on the Department's resources and compromising safety for workers and the public. In 2017, the City Council gave the Department additional tools to progressively discipline contractors who are caught breaking the rules or endangering public safety. These reforms have been tremendously successful in bolstering the City's efforts to identify and take action against bad contractors who do work without permits or work beyond the scope of a permit. The Bad Actor ordinance has resulted in the suspension of permitting privileges for more than 100 companies and individuals whose illegal or poor work was compromising safety for workers and the public. The DOB has also suspended trade licenses for four contractors and issued cease and desist orders to 17 unlicensed contractors. Most importantly, these measures have spurred a real change in attitude in the field by deterring bad practices and leveling the playing field for contractors and individuals who play by the rules. To further these efforts, the Department established a working group between Buildings, the Department of Business Affairs and Consumer Protection (BACP) and Law and consumer fraud units from the Cook County State's Attorney and the Illinois Attorney General to share information on bad contractors and coordinate consumer fraud efforts.

Another key role of the Department is complaint-based inspections. Overall, response times by inspectors have improved significantly and our inspectors are spending more time in the field due to improved technology and our initiatives to reallocate resources and reassign inspectors. For heat related calls during winter, for which rapid responses are critical, the DOB has inspectors on the property within 24-48 hours.

As we head into the colder months, the DOB will again ramp up its efforts to enforce the Chicago Heat Ordinance, which requires landlords and building managers to provide adequate heat to their tenants. During our historic cold spell in January 2019 we had inspectors working every day including weekends and we were adamant and crystal clear in our position of holding landlords responsible for supplying heat to their tenants. From the start of the cold snap on January 24 through January 31, the DOB completed 1,367 heat inspections. We stressed that owners would be held accountable and that failure to do so would result in prosecution at Circuit Court with the City seeking daily fines and or the appointment of a receiver to make the repairs at the owner's expense. When the Courts were closed due to the cold, the City was open, and I did not hesitate to use police powers granted to the Building Commissioner to keep the public safe and took immediate action to repair heating systems to keep tenants warm. We also worked closely with the Department of Family Support Services (DFSS) to relocate tenants when the heat could not be restored, as well with the Departments of Fire (CFD), Water, Health, Planning and Development (DPD), Police (CPD), Office of Emergency Management and Communications (OEMC) and Streets and Sanitation (DSS).

In fulfilling the City's mission to keep residents safe and foster economic development, the DOB maintains good working relationships and works hand in hand with other City departments including the Departments of Law, DPD, Housing (DOH), CPD, CFD, DFSS, DSS and Health. We will continue to work closely with the DPD to revitalize the South and West Side corridors by applying cost-saving reforms to encourage rehabilitation and re-use of existing buildings as well as new development on vacant land. We look forward to working with the DOH to grow affordable housing stock through a broader set of options that are contemplated in Chicago's new, more flexible

building code, such as accessory dwelling units. We will also continue to work closely with the DFSS when we encounter residents who are experiencing crisis housing situations.

Let me share with you additional details about our key accomplishments from 2019.

Permit Update

As of September 30, 2019, DOB issued a total of 38,235 building permits. Through September 30, 2019, the city has collected \$28,584,546.64 in building permit fees.

Of the 38,235 permits issued as of September 30, 2019, 39 were issued through Developer Services, 127 permits were issued through Direct Developer Services, 8,498 through Standard Plan Review, 26,386 through the Easy Permit Process and 3,185 sign permits.

There are currently 18 tower cranes operating on construction sites in the city. To date in 2019, 20 cranes have been erected and 43 have been operating on construction sites throughout Chicago.

Inspection Update

DOB performs a wide variety of inspections each year, including periodic 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 174,659 inspections as of September 30, 2019 which includes 41,577 complaints closed via 311. DOB responds about one major emergency incident each month including building inspections post-fire and other incidents related to building structures, as well as multiple other smaller-scale emergencies each month.

Targeted Programs

Vacant Buildings

DOB works closely with the 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, the DOB has demolished 332 buildings to remove these hubs of violence from our communities. Additionally, DOB has boarded up and secured 2,465 properties through September 30, 2019.

In addition to working with CPD, DOB also received 5,536 vacant building related calls to 311 through September 30, 2019. As of September 30, 2019, a total of 3,495 vacant buildings were registered as required under the vacant building ordinance and DOB completed 6,527 troubled building complaint inspections.

Strategic Task Force

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.

Through September 30, 2019, STF has conducted more than 1,200 inspections of commercial and residential properties referred to DOB by CPD, including 94 inspections of troubled businesses (three were social clubs) that were determined to have dangerous and hazardous conditions and were closed down. Twenty-one (21) of those businesses were allowed to reopen after violations were complied with and the buildings were re-inspected. STF will continue to actively partner with CPD in 2020.

Signs

DOB continues to work with the Illinois Sign Association and is actively working to address sign issues and make the sign permit process more efficient. Through the tools granted by the Bad Actor ordinance passed by City Council in 2017, the Department has taken direct action against contractors who mislead small businesses by telling them that the contractor obtained a permit on their behalf install an illegal sign and take their money. To date we have suspended the licenses of eight contractors and we have issued 12 cease and desist orders against unlicensed contractors.

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 733 pre-1975, high-rise buildings that require LSE reports. We are pleased to report that there are only 15 buildings remaining that need to come into compliance with the ordinance and we are 98 percent complete. Thirteen of the buildings are working toward compliance in Circuit Court and the DOB is closely monitoring and working with the one other building.

Communications Strategy

Building upon our regular communication with Aldermanic offices, in 2019, DOB continued ongoing communication to the design professional community, industry partners and the public at large, including:

- Regular emails 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.

- Posted several code modernization videos on the DOB's website and YouTube to educate the design and construction community about the changes that are coming with Chicago's new building code.

We will continue our ongoing communication to City Council members including daily reports on permit applications and permits issued and monthly reports on all buildings referred to Circuit Court. You may also continue to contact Ms. Earnestine Black who can assist on any questions or concerns you may have.

Looking Ahead

Chairman Dowell, Vice-Chairman Silverstein and members of the City Council, as you can see 2019 has been another productive and successful year for the Buildings Department. Working together with City Council, we look forward to continuing our work to be responsive to those that invest in our city and in our neighborhoods and to all who 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.