GOVERNMENT OF THE DISTRICT OF COLUMBIA DEPARTMENT OF BUILDINGS

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WASHINGTON

Fiscal Year 2025 Budget Oversight Hearing

Testimony of
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Before the Committee of the Whole Council of the District of Columbia The Honorable Phil Mendelson, Chairman

> John A. Wilson Building 1350 Pennsylvania Avenue, NW Washington, DC 20004

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Good morning, Chairman Mendelson, Chair Lewis George, Councilmembers, and staff. I am Brian Hanlon, Director of the Department of Buildings, also known as DOB. I am pleased to appear before you today to discuss the proposed Fiscal Year 2025 Budget for DOB. I am honored to join my counterparts from the Office of Zoning and the Office of Planning, two agencies that we collaborate with to regulate the built environment for those who live, work, and play in the District. As I have said in prior testimony to Council, to industry leaders, the design community, customers, and to each operating division at DOB, I am focused on creating positive outcomes for all our involved stakeholders. We are seeking to innovate and evolve our processes to make the customer experience as seamless and streamlined as possible. We do this under the leadership of Mayor Muriel Bowser and Deputy Mayor for Operations and Infrastructure Keith Anderson, and in partnership with agencies such as the Office of Zoning, Office of Planning, District Department of Transportation, District Department of Energy & Environment, the Council, ANCs, and resident advocates.

While DOB is a regulatory agency, we perform a catalytic role in the DC Comeback. We are directly linked to economic development and quality of life. Since taking the helm of the agency last May, I have emphasized a spirit of engagement with our customers and stakeholders to foster a culture of continuous process improvement at DOB. Our focus in seeking constructive feedback, investing in customer service, and ensuring building safety helps us operationalize improvement, thereby unlocking further economic development opportunities to collectively strengthen our neighborhoods, the Downtown, and other vital areas in the District. I want to thank Mayor Bowser for her strong leadership and steadfast support for our agency.

In line with developing and maintaining a culture of continuous improvement, DOB has initiated several Strategic Initiatives. These include streamlining our plan review and permitting

processes. Of note, we are developing a special accelerated permitting process for temporary pop-ups around the city, particularly in vacant Downtown areas, called Pop-Up Permits, also known as "PUPs." DOB is transforming how we help customers understand our regulations and processes and creating better guidance to take them through their projects. Another example of advancement is our new "PPRM" process for Preliminary Process Review Meetings. Through this preemptive initiative, we identify and alleviate issues prior to plan review, potentially saving customers months of project delays. By communicating with developers earlier, DOB establishes a reputation of efficiency and business friendliness.

I am very proud of the team we have assembled. Our organizational structure is essentially the same as when the agency was formed, but we have made some refinements. For example, we created the Chief Special Projects Officer position to help lead our agency's transformation by being a primary conduit for industry and customer feedback, helping DOB operationalize real-time feedback into more effective day-to-day processes. We also elevated our capabilities regarding Green Buildings and sustainability and have instituted a heightened focus on stamping out dangerous illegal construction.

Introduction

In my testimony today, I will outline what our agency plans to accomplish through the Mayor's proposed Fiscal Year 2025 Budget, A Fair Shot: Strategic Investments and Shared Sacrifice. I want to reassure the Council and public that DOB will continue to fulfill its mission and continue to focus on improving customer experience in Fiscal Year 2025.

However, it is important to first review DOB's core responsibilities. DOB is responsible for regulating the built environment in the District of Columbia through plan review, project permitting, and ensuring compliance with applicable building codes and zoning regulations.

Additionally, DOB inspects diverse construction projects and inspects rental housing to help ensure DC residents have safe and habitable living environments. Lastly, DOB chairs and contributes to the work of the District's Construction Code Coordinating Board (CCCB), and works in conjunction with DOEE to oversee Green Building projects and sustainability efforts.

DOB's overarching vision has three objectives. These are:

- 1. DOB is a national model of customer service and value creation;
- 2. DOB is a catalyst for responsible economic development, social diversity, and environmental sustainability; and
- 3. DOB is essential to a thriving and resilient city.

While the Mayor's proposed FY25 budget represents a slight decrease in funding from FY24, DOB is committed to delivering on its mission by ensuring that the people of DOB—from its most senior leadership to our customer-facing personnel—operate as a team dedicated to clarity, communication, and collaboration.

Top Line Figures

The District finds itself in a complex fiscal environment. A downturn in revenues due to the economic impact of the pandemic creates pressures to do more with less. However, I believe this is an opportunity to rethink how we can operate with agility. The Mayor's proposed budget funds several Downtown Action Plan initiatives that involve DOB, including conversion of unoccupied office space into new and affordable housing, and transition of vacant properties into productive use.

The Mayor's FY25 budget for DOB is approximately \$63.3 million, which represents an approximate 3% decrease from FY24. This decrease reflects our ability to operate within a tight fiscal environment while still focusing on the customer experience.

The Mayor's FY25 budget supports the following areas:

1. Enhanced Customer Service: Over the past year, DOB established a team of customer service specialists, including Process Navigators, that has become an essential part of DOB's customer relations work, aiding customers in navigating DOB's complex operational and regulatory environment. Originally funded by federal ARPA funds that expire at the end of FY24, this priority includes \$2.31 million in funding for 17 FTE customer service positions, including 14 Account Managers. In addition, we have streamlined our front-facing customer service personnel whose primary responsibility is answering customer phone calls and designating inquiries for the appropriate operating division. During FY23, DOB customer service processed 149,000 unique inquiries received by phone, chat, email, and in-office appointments, which comes out to around 573 per business day. As part of our equity and accessibility goals, this team also carries out the agency's Language Access Act operational requirements. DOB's customers have come to expect an elevated level of responsiveness and this team is essential for us to continue this service in FY25. As we improve the operational effectiveness of the customer service team, we expect to see a reduction in both call volume and call length to create additional bandwidth for elevated performance in other ways.

2. Operating Impact of Capital for IT Systems Modernization:

In prior years, DOB traditionally funded IT modernization through capital investments. Ongoing investments to reduce the number of digital applications that customers must use and create unified entry points for residents are critical parts of our transformation journey. The Mayor has included \$1.7 million in FY25 to fund operations and

maintenance for system enhancements implemented in FY24 that improve the customer experience during permitting, inspections, and plan review.

3. Nuisance Abatement and Proactive Inspection

The Mayor has approved \$450,000 for a quality assurance and quality control initiative to help DOB improve nuisance abatement and proactive inspections, allowing us to address health and safety concerns more effectively for occupied and vacant residential properties.

DOB Organizational Refinement

Before I close, I would like to spend a moment to share regarding DOB's organizational culture. Since I arrived at DOB, my focus has been on improving the operational efficiency of the agency, largely through instilling a culture of continuous improvement. This is relevant to today's conversation about our budget, because ultimately it is incumbent on our team to deliver positive outcomes. We will succeed by working to align our people with a dedicated customer service mindset rooted on a disciplined approach that views what we do as essential to the District's enhanced economic development and quality of life. This is accomplished through daily collaboration and interactions with one another internally at DOB, with other agencies, and with our customers. A slight decrease in funding does not impede our ability to improve in these ways or relieve us of our critical responsibility to meet today's challenges. Rather, it motivates and drives us to strive for coordinated intentionality of our thoughts and actions.

Conclusion

Through a wide array of innovative programming, DOB has achieved significant operational proficiencies and service enhancements for District residents, I have every

confidence that our entire team will continue to be good stewards of government resources. As before, DOB will relentlessly perform our services in an equitable and accessible manner, continue to demand that builders work responsibly and safely, and hold those out of compliance accountable to the full extent of the law. We will persist in collaborating with our partners to decrease the District's vacant and blighted property stock, investing in efforts to bring as many of these buildings as possible back to productive use across every ward in the city. These efforts, combined with the coordinated engagement of our sister agencies to execute Mayor Bowser's vision, will help to further enhance DC's Comeback.

I am confident that the FY25 budget will allow us to continue to build on our recent accomplishments. Our agency is fully committed to providing unparalleled services to DC residents and homeowners. I trust that my testimony today effectively outlined DOB's vision for FY25.

Chairman Mendelson, Chair Lewis George, and Members of the Council, thank you for the opportunity to testify today. I look forward to answering any questions you may have.