

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**DEPARTMENT OF BUILDINGS**



Fiscal Year 2024 Budget Oversight Hearing

Testimony of  
Ernest Chrappah  
Acting Director  
Department of Buildings

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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12:00 p.m.

Good Afternoon, Chairman Mendelson, Councilmembers and staff. I am Ernest Chrappah, Acting Director of the Department of Buildings (DOB). I am pleased to appear before you today to discuss the proposed Fiscal Year 2024 (FY24) Budget for DOB.

### **Introduction**

DOB is responsible for regulating construction activity in the District of Columbia by issuing the applicable building permits and overseeing plan review to ensure compliance with building codes and zoning regulations. The agency also has inspection and oversight authority for construction projects, building systems and rental housing. In addition, DOB managers contribute to the work of the District's Construction Code Coordinating Board (CCCB) and oversee Green Building projects and surveying.

In my testimony today, I will outline what our agency plans to accomplish through the proposed allocations under this FY24 Budget. My team's diligent performance and analysis over these past months proved essential in crafting the Mayor's FY24 Budget, which we are confident will enhance efficiencies in providing customer services to District residents and promoting safety in the built environment.

### **The Mayor's Budget**

On March 24, 2023, Mayor Bowser presented her FY24 Budget and Financial Plan to the Council of the District of Columbia. The "*Fair Shot*" Budget reflects essential guiding values for our city, including driving DC's post-COVID comeback and downtown recovery; investing in our residents, families, neighbors, and businesses; and improving core government services and the customer experience. The budget includes a \$1.35 billion investment in operations and infrastructure for FY24, which includes allocations for DOB and our cluster sister agencies.

The District is focused on its comeback from the COVID pandemic and our local government continues to tackle the remaining fiscal and policy challenges DC faces, including citywide provision of affordable housing to those in need and an overabundance of vacant office building space downtown. These two specific issues also have numerous secondary economic impacts for our city, and DOB stands ready to do its part to remediate related challenges faced by our residents by leveraging the requested allocations under consideration today.

### **DOB Budget and Key Priorities**

The FY24 Budget and Financial Plan would build on the FY22 “Recovery Budget” and the FY23 “Fair Shot Budget” in several critical areas within the scope of DOB operations and programming. Our total FY24 Budget Request is for \$64.7 million and 348 Full-Time Equivalents (FTEs), which includes \$43.4 million in Local funds, \$16.1 million in Special Purpose Revenue Funds (SPR), and \$2.7 million in American Rescue Plan Act (ARPA) funds. The total sum also includes \$2.5 million in Capital funds.

The allocations under discussion today would allow DOB to continue fulfilling its core mission of protecting the public health and safety of District residents and homeowners in the built environment. Our critical priorities include regulating construction activity and building safety through plan review, permit issuance, code enforcement, and abatement. The requested resources in the FY24 Budget will ensure that DOB can meet its Key Performance Indicators (KPIs), Performance Plan milestones and Strategic Initiatives.

Indeed, the FY24 DOB Budget Request will give our agency the tools it needs to continue delivering on ongoing FY23 Strategic Initiatives. These include the enhancement of enforcement and data collection related to vacant properties, expansion of quality control and quality assurance (QA/QC) processes to promote efficiency in our inspections operations and

coordinated communications and marketing outreach to inform District residents about current and future DOB services, educational opportunities and agency operating procedures.

DOB is also continuing to streamline the process for issuance of Certificates of Occupancy through automation, standing up a DOB Training Academy and launching an Architecture and Engineering Career Pathway Program. We will have other crucial Strategic Initiatives in FY24 to continue driving agency performance.

In FY22, the Department of Consumer and Regulatory Affairs (DCRA), our predecessor, met or exceeded each of its established KPIs, and in Quarter 1 of FY23, DOB met most of its KPI targets. These include metrics such as percentage of permit applications reviewed within two business days, percentage of property maintenance inspections that are completed within 15 business days, and the percentage of inspections completed on the scheduled date. We anticipate similar levels of performance and service in FY24 if our requested funding levels are approved by Council.

### **FY24 Budget Enhancements and Nuisance Abatement**

Now that I have outlined DOB's priorities for FY24 and how we will build on our success, I would like to discuss our proposed enhancements to achieve our priorities. For FY24, our agency has two enhancements, which I will outline in detail.

The first FY24 enhancement would allocate \$1.7 million for Operating Impact of Capital IT Modernization. This enhancement would include \$595,000 for Data Warehouse, \$305,000 for upgrades to the Permit Plan Review System and \$800,000 for application program interface (API) portal maintenance and support. These allocations would provide DOB with critical resources to maintain IT systems, information security, interfaces to support data sharing with

sister agencies or the public for greater transparency, and digital tools for operational efficiencies.

The second FY24 enhancement would invest \$900,000 for Nuisance Abatement Services and Proactive Inspections Contracts, including \$350,000 for proactive inspections and \$550,000 for abatement contracts. These allocations will drive nuisance abatement and proactive inspections to ensure timelier remediations, with a set metric of a percentage of vacant building unit inspections completed within 30 days from the receipt of a complaint submission. This would promote public safety and help return these properties to productive use; thereby, making critical additions to the District's affordable housing stock.

While on this subject, I'd like to briefly discuss the role and scope of DOB in enforcement and abatement. Abatement is primarily the responsibility of property owners when there are nuisances and housing code violations. DOB uses civil infractions and other tools to incentivize property owners and landlords to abate the violations, but it is ultimately their responsibility and not the agency's to abate all violations.

However, there are times when, because a property owner is unwilling or unable to abate the nuisance themselves, DOB steps in and abates the nuisance in the interest of public safety. For example, if a drunk driver were to crash into an abandoned building and flee the scene, DOB would be required to secure the property so that it would not become a public nuisance by inviting squatters or persons engaging in criminal activity.

To provide some statistical context on DOB abatement activity, the agency has had nearly 6,200 cases referred for abatement between FY20 and FY23 YTD, of which 5,651 required DOB action. Of these cases, DOB has confirmed 4,455 overall abatements to date. Of those confirmed abatements, 870, approximately 20% were abated by the property owner, and

3585, a little over 80% were abated by DOB. Abatement activity can include tasks such as mowing grass or removing garbage from vacant properties to curbing other housing code violations, such as missing smoke and carbon monoxide detectors.

### **Capital Budget Projects**

Moving on to DOB's Capital Budget Projects for FY24, the first would allocate \$2.5 million for IT Systems Modernization. These funds would allow us to add and improve systems for commercial permitting, land use management, and illegal construction. This investment would also build on last year's \$2 million investment in Data Warehouse and replacement of the outdated Accela System. These tools will help improve DOB operations, enabling us to provide better customer service to District residents.

The second Capital Budget Project includes a relatively minor investment of approximately \$39,000 for Fleet Systems Replacement, building on last year's \$1.7 million allocation. DOB has dozens of inspectors and inspector managers who need to be out in the field frequently to do their work ensuring building safety. This Capital Budget Project is an important priority to make sure that they have modern, safe and reliable vehicles in order to provide services to District residents.

### **Racial Equity**

Moving on, I want to commend Mayor Bowser's administration for its dedication to ensuring racial equity across the District and note that DOB shares this commitment. The agency's FY24 Budget Request supports our ongoing and future racial equity initiatives through two overarching priorities:

1. Protecting the most vulnerable and underserved residents in the District; and
2. Maintaining a culture of excellent customer service with a focus in Wards 5, 7 and 8.

Some of these priorities have specific initiatives included in our FY24 Budget Request, and they are also interwoven throughout all of DOB's anticipated programming for the next Fiscal Year.

### **Inspections and Affordable Housing**

I would like to now begin outlining DOB's ongoing progress in expediting and increasing the volume of inspections--which helps drive the creation of more affordable housing, particularly for District residents of color—and how this ties into budgetary resources. One of the most crucial tools that DOB can leverage on this front is enhanced and accelerated inspection resources and procedures.

To dive a bit deeper on inspections, I want to highlight the significant progress that DOB has made in FY23, to date, and in prior Fiscal Years under DCRA. In FY21, DCRA had 27 housing inspectors and conducted 7,720 complaint-based housing inspections. Comparably in FY22, there were 38 housing inspectors, only 11 more than in the prior Fiscal Year, but DCRA conducted 13,558 inspections, nearly double the amount. In FY23, to date, DOB has 53 housing inspectors, 15 more than in FY22, and we have already conducted 7,766 inspections. DOB also currently retains 17 housing contractors and resident inspectors. These numbers dwarf the proportion of housing inspectors to housing units in other American cities.

I should also note that DOB has adhered to timelines for completing various types of inspections, from housing to vacant property to construction and illegal construction, which can be viewed on the agency's dashboard. When DOB receives a housing complaint, an inspector is sent out within 15 business days as standard policy unless it is an emergency, which is inspected same day or next day. If a violation is found and documented, a notice of infraction is issued and the property owner is given 24 hours to abate with an automatic reinspection in about 7 days. For

non-emergency cases where violations are found, a notice of infraction is issued and the property owner has 60 days to correct the issue. In other jurisdictions, such as Des Moines, Iowa, and Rochester and Syracuse, New York, the timeline for an initial inspection is unclear or is wholly dependent on the availability of inspectors.

These are signs of significant progress in terms of how our agency has leveraged procedural and software tools to maximize outputs on inspections and abatements, even while we have not been able to fill the new inspector positions created by Council in previous Budget Cycles because of continuing labor market challenges, which include recruiting candidates with the appropriate talent and certifications.

To provide some specific context on these goals in the context of racial equity, the highest number of vacant properties and lots are in Ward 5 with 748 and Ward 7 with 716, as of December 2022. Vacant and blighted properties pose a nuisance and are a health and safety risk to District residents, and have a disproportionate impact on people of color. However, vacant properties also present an opportunity to return these properties to productive use by creating more affordable housing and more vibrant communities.

One of our critical initiatives for FY23 and into FY24 is the utilization of new digital programming to bring the worst District of Columbia landlords into compliance in order to ensure safety for our residents and the use of novel tools to create new affordable housing stock. We are proud of the tools we have added to drive inspection timelines and efficiencies, and we will continue to improve in FY24.

In recent years, Councilmembers and housing advocates have pushed, throughout Fiscal Year Budget and Performance Oversight cycles, for more code inspectors to ensure abatement and public safety for hazardous, vacant and otherwise neglected housing units and construction



projects. While the total number of inspectors is an important component in achieving DOB's mission to push negligent and absentee landlords and developers towards abatement, it does not tell the whole story and DOB believes that this metric not a "silver bullet" solution to enforcement. The IT and software platforms that DOB has adopted in recent years are already delivering significantly improved outcomes, which will be further enhanced through the Mayor's FY24 Budget Request with Council's approval. These tools will help ensure more code compliant residential and commercial buildings and prove vital in overseeing the District's approximately 178,022 rental units, based on active business licenses.

What is important for both Council and members of the public to understand is that inspections and related enforcement exist within a broad ecosystem of manpower, IT tools and strategic prioritization approaches, which also involve cooperation with sister District Government agencies. While the Council has provided us with additional inspector FTE positions in recent Fiscal Years, which is helpful, we have also been very busy tightening agency procedures through new programming and digital platforms. The utilization of technology supports the agency's objective of modernizing and streamlining its land use management, plan review and other systems to increase efficiency and provide a better customer experience. This important work will continue with the resources allocated under the FY24 Budget.

To provide one example of software improvement, I will touch on an item that I discussed briefly during the FY22 Performance Oversight Hearing testimony a few weeks ago. Namely, DOB is in the final stages of bringing online a new system for managing the District's vacant and blighted housing stock. Among other vital upgrades, this new platform will provide automatic notifications and updates between DOB and the D.C. Office of Tax and Revenue (OTR) to ensure that vacant and blighted properties are taxed at the legally mandated rates and

absentee landlords are held accountable for their negligent property management. This new software approach will allow us to utilize every resource at our disposal to ensure that the impacted properties are brought back to productive use in a timely manner, which is one of DOB's current KPIs adopted in response to Council recommendations.

Indeed, this is not just good governance initiative to hold bad actors accountable and to clamp down on public nuisances; it is, in fact, very much focused on Mayor Bowser's goal of creating 36,000 new housing units by 2025, including 12,000 affordable units. While the Mayor's Executive Team is using numerous incentives to promote construction of as many new affordable units as possible, including through the Office of the Deputy Mayor for Planning and Economic Development (DMPED) initiatives, there is also much DOB can accomplish to this end through enforcement by targeting inspections on the worst actors.

### **Reimagining Downtown and Permitting Acceleration**

Earlier in my testimony, I briefly mentioned how DOB is doing its part to address continuing property challenges related to the pandemic. Namely, that we have a high vacancy rate of office space in our city center, because in many cases, employees of private sector and federal government entities continue to work remotely.

This situation poses both challenges and opportunities. The challenges largely stem from the fact that due to the dearth of office workers in this part of the city, local businesses have suffered, and DC does not have as robust local revenues as it did before because of these vacancies. However, the situation also provides us with valuable opportunities to reimagine these properties as a source of housing in a part of the city that has not traditionally contributed its share to affordable housing stock in the District.

DOB envisions utilizing robust digital tools to allow enhanced and expedited services for District residents in the built environment, which will help speed up the conversion of office space to affordable housing. This involves introducing artificial intelligence technology that automates the permitting process and maintaining marketplaces that connect inspectors with property owners.

As new initiatives continue to be proposed to convert office space to residential and “reimagine downtown” by Mayor Bowser and Members of the DC Council, including the FY24 Budget’s proposed \$41 million Housing in Downtown abatement, we will continue to liaise with our District government partners to ensure that DOB is committing every available resource to achieving these objectives.

### **Conclusion**

As I conclude my testimony today, I would like to thank Mayor Bowser and the Council for investing in the resources our agency requires to protect District residents and supervise the built environment in our city.

Through our Performance Plans, Strategic Initiatives, KPIs, racial equity priorities, and other projects launched over these past few fiscal years, DOB has achieved operational efficiencies and service enhancements for District residents, and I am confident that the FY24 Budget Request under consideration today will allow us to continue to build on our recent accomplishments.

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