BUSINESS REGULATORY REFORM

Task Force

Strategies to Streamline the Regulatory Process:
Full Report with Executive Summary

Revised June 20, 2014

District of Columbia

Business Regulatory Reform Task Force

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Government of the District of Columbia
Business Regulatory Reform Task Force

May 21, 2014

Honorable Vincent C. Gray, Mayor of the District of Columbia

We are pleased to submit the final report of the Mayor's 2013 Business Regulatory Reform Task Force. Although this report marks the culmination of twelve months work, it certainly does not signify that reforming the business regulatory process is complete. It is but a milestone - the reviewing, planning, revision and implementation of the business regulatory framework will continue.

In meeting the charge that you gave us, this report includes important recommendations that will ease the regulatory burden placed on visitors, residents and those who conduct business in the District of Columbia. As part of this report, we recommend that the Council also consider issues identified in the report that would require changes to existing laws. We are optimistic that the Executive Office of the Mayor and the Council will work together with relevant District government agencies to implement these recommendations and make other necessary changes to achieve true regulatory reform.

Despite the diversity in backgrounds and the perspectives represented in our group, there has been a remarkable consensus among the Task Force members. However, we recognize that there are members who hold differing views—as is expected and as it should be.

The ultimate goal of this report is to layout and to explain the Task Force recommendations that, upon implementation, will serve to streamline the business regulatory process and therefore will enhance the quality of service to attract and retain businesses and residents to the District.

We invite you to meet with us to discuss our recommendations. We further suggest a formal dialogue among the key service agencies and other stakeholders to begin the acceptance and implementation of the recommendations. This could take the form of interagency seminars and/or public meetings. Subsequently, the specifics of budgets and reallocations must be determined and communicated.

Respectfully submitted,

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ACRONYMS AND ABBREVIATIONS GLOSSARY

ABRA	Alcoholic Beverage Regulation Administration
DCRA	Department of Consumer and Regulatory Affairs
DDOE	District Department of the Environment
DDOT	District Department of Transportation
DHCD	Department of Housing and Community Development
DOH	Department of Health
DSLBD	Department of Small and Local Business Development
FEMS	Fire and Emergency Medical Services
HPO	Historic Preservation Office
HPRB	Historic Preservation Review Board
IT	Information Technology
LEED	Leadership in Energy & Environmental Design
MPTD	Office of Motion Picture and Television Development
OCP	Office of Contracting and Procurement
OCPI	Online Construction Permit Application Intake
OP	Office of Planning
OTR	Office of Tax & Revenue
PIVS	Permit Intake Validation System
SBLP	Streamlining Business Licensing Processes
SCPP	Streamlining Construction Permitting Processes
TOPS	Transportation Online Permitting System
WASA	Water and Sewer Authority (DC Water)

EXECUTIVE SUMMARY

INTRODUCTION

When Mayor Gray took office in January 2011, he charged District Government agencies to develop strategies to streamline the regulatory process and make the District a more business friendly jurisdiction. In response, District agencies made a wealth of improvement.

- ✓ Adoption of ***2013 DC Construction Codes*** meeting the Mayor's March 1, 2013
- ✓ Launch of DCRA's ***Small Business Resource Center***
- ✓ Implementation of a One Stop Permit Center, a consolidated permit intake center, where representatives from multiple agencies (DC Water, HPRB, DDOE, DDOT, and FEMS) are co-located to expedite the permit review process
- ✓ Promotion of ***Green Building Program*** including LEED accreditation and increased public outreach on the benefits of green construction
- ✓ Implementation of new ***Vending Regulations,*** resulting in a more predictable and transparent licensing process
- ✓ Modification of the ***District's Corporate Statutes*** making the District of Columbia one of the easiest jurisdictions in which to form a corporation
- ✓ Simplification of ***Trade Name Process,*** consolidating trade name registration under one agency for license applications and renewals
- ✓ Enactment of a new, streamlined ***Basic Business License Process*** for one and two family rentals with self-certification
- ✓ Online submission of plans through ***ProjectDox***, an innovative web application streamlining the review process
- ✓ Creation of an online ***Permit Intake Validation System (PIVS)*** which provides the public a one stop shop for key information on a particular address; including property ownership, zoning, building permits issued, business licenses, and property code citations
- ✓ Increase in online/mobile services such as ***Business License Verification, E-Corp, Business License Renewal, Building Permit Applications,*** and redesign of the ***Transportation Online Permitting System (TOPS)***
- ✓ Reduction in paper in support of DCRA's "Paperless Permitting" initiative—today 100% of building permit applications are completed via the ***Online Construction Permit Application Intake (OCPI)***
- ✓ Collaboration between DCRA, DDOT, DSLBD and DDOE on ***information sharing and systems integration***
- ✓ Introduction of mobile technology for Weights and Measures inspectors to complete inspections in the field, resulting in a 150% increase in team efficiency

Making the District the most business-friendly city in the nation is one of six visions set out in Mayor Vincent Gray's Five-Year Economic Development Strategy. In February 2013, the Mayor reaffirmed that commitment by forming the Business Regulatory Reform Task Force. The Task Force—co-chaired by Department of Consumer and Regulatory Affairs (DCRA) Director Nicholas Majett and David Goldblatt, Partner, Goldblatt Martin Pozen LLP—was tasked with examining existing processes for issuing key business licenses and permits, reviewing relevant laws and regulations, and recommending short and long-term changes to the processes, laws and regulations that impede business growth and innovation. Additionally, the Task Force is charged with making legislative recommendations to eliminate inconsistent regulations administered by DCRA as well as continued monitoring and tracking of current and future proposals to reform regulations and their potential impact on businesses.

The recommendations put forth by the Task Force are the result of comprehensive analysis conducted by representatives from small and large businesses, trade organizations, utilities, and stakeholder government agencies. This final report identifies inefficient regulatory policies and practices, and presents recommendations, and action plans for improving the regulatory process.

In compiling this report, the committee also reviewed regulatory-related practices from approximately fifty national and international jurisdictions. The final report highlights some of these best practices which serve as valuable guides for the District's agencies as they implement the recommendations contained herein.

"Some 7,000 business owners across the country have told us that they care about a lot more than just taxes – for most businesses, simple licensing regulations and helpful training programs are even more important to their success."

- 2013 Thumbtack.com
Small Business Survey, Forbes.com

The Business Regulatory Reform Task Force formed four working groups to focus on key aspects of the District's business regulation landscape: the Streamlining Business Licensing Processes (SBLP), Streamlining Construction Permitting Processes (SCPP), Legislative, and Technology working groups. The working groups methodically examined the District of Columbia's regulatory process in order to identify, analyze and make recommendations to improve existing business processes within the District. The working groups organized their recommendations into four categories: administrative, process, technology and legislation.

Administration

The lengthy process and IT deficiencies foster a regulatory environment that requires frequent interactions between business applicants and agency personnel in order to navigate through the complex processes. The Task Force found that, while many District licensing and permitting employees are conscientious workers, many do not receive adequate training nor do they possess the requisite knowledge to perform their respective licensing and permitting tasks efficiently. Furthermore, those with training are grossly outnumbered by the amount of applicants and persons requiring customer service support.

Process

While the District continues to promote and encourage entrepreneurship, policy and process deficiencies work to undermine business success. The current regulatory framework could be enhanced to reduce costs, decrease cycle time, and improve the quality of service to better meet business needs. Existing regulations, which seem to lack clarity, succinctness, and consistency, could be modified to remove process barriers, deliver accurate information, and eliminate erroneously issued permits, certificates, and licenses.

The current regulatory scheme is characterized by disjointed review processes that result in redundancies, lost time, inefficient use of labor, and discouraged customers. The level of complexity in the permitting process leads many applicants to outsource their permitting needs to "runners" or permit expediters. Some of these third party permitting professionals demonstrate a lack of technical expertise with relevant codes, regulations, and application requirements. The fact that business customers find it necessary to secure the services of consultants signals the need for streamlining the regulatory process.

Among the particular issues identified by the Task Force were the following: delays in permit review due to incomplete or otherwise inappropriate materials submitted by customers; lack of applicant familiarity with applicable codes and regulations; government documents that are inconsistent with codes; and regulatory conflicts between District agencies.

Technology

The District of Columbia has been pursuing strategies to promote economic growth and small business participation; encouraging entrepreneurs and businesses to establish or grow their footprint within the city. Unfortunately, this strategic commitment has not been supported by an integrated information technology (IT) platform. In the current business regulatory environment, various District agencies need the same set of basic information from business applicants. A stove-piped IT structure makes it necessary for customers to resubmit their information at each agency. Repeated entry of the same data increases the risk of keying errors and mismatched records, and multiple points of applicant-agency contact increases the risk of poor customer service interactions. The absence of an integrated IT platform also complicates the flow of information between review agencies and permit applicants; e.g., where an applicant submits an application at one agency, but concerns are raised, and logged in the system of, another. Businesses need a better IT solution for getting information into and out of District agencies.

Legislation

The Task Force found that regulatory requirements often impose burdensome and unnecessary demands on businesses, particularly small businesses with limited resources. In addition, businesses felt that they too often learned about new legislation and regulations after the laws had been put into place rather than during deliberative phases where their views might have been considered. The Task Force felt that failure to recognize the degree of impact on small business in the regulatory process could adversely affect marketplace competition, innovation and productivity, which discourages entrepreneurs from starting businesses in the District.

The Task Force recommends a coordinated effort between relevant government agencies, the Council, and the public to review existing regulations for adverse business impacts. That work would include providing recommendations to revise, repeal, or maintain regulations based on that review with the intent of simplifying regulations and eliminating or preventing rules that unfairly harm business and the economy. The goal here is to help the District become more efficient and to be more business friendly by creating a clear, predictable, and reliable regulatory system. A predictable and fair regulatory environment is critical to creating a vibrant and dynamic economic environment that supports job growth.

TASK FORCE RECOMMENDATIONS:

Administration

1. Establish an advisory group to monitor and track proposals to reform processes and regulations and identify their potential impact on business.

2. Require greater transparency from all Boards and Commissions, and other government agencies who issue occupational, professional, or business licenses. Each entity should begin this process by soliciting input from industry participants, in a public forum, on how processes, rules, and regulations can be streamlined.

3. Create flow charts mapping the processes for obtaining the most important business licenses and permits. Refine each process to ensure that they are as efficient and effective as possible. Updated flow charts will be posted online for use by businesses as well as District agencies.

4. Develop training for staff involved in the licensing process. Training should be extended to staff at nonprofit organizations, funded by the District of Columbia, who provide assistance to District businesses, particularly those providing technical assistance to small businesses.

5. Conduct a DCRA review, informed by best practices research from other jurisdictions, on the optimal number of business classifications.

6. Increase the number of DCRA staff assigned to permit review. Concurrent with this effort, increase the requirements for technical proficiency in code interpretation and institute customer service training for all personnel.

Process

7. Improve and expedite the construction permitting process eliminating (where possible) redundant reviews and time wasted reviewing incomplete applications.

8. Establish an "ambassador" program to support licensing applicants with particularly complex customer service needs.

9. Improve the efficiency and effectiveness of the major reviewing agencies on construction permits (DCRA, DDOT, DDOE, OP, DC Water, and utilities) by examining their processes and implementing changes that will reduce permit review time while maintaining or enhancing the overall quality of reviews.

CRITICAL RECOMMENDATIONS

The Business Regulatory Reform Task Force conducted a comprehensive analysis of the District's current business practices—identifying problematic areas, recurring discrepancies, redundancies, negative trends, and technological deficiencies. The Task Force's recommendations—organized within four categories: Administration, Process, Technology and Legislation—are all aimed at delivering higher quality service to business customers.

Administration

Businesses operating within the District rely on staff at several District agencies to address their particular customer service needs. It is imperative that all agency staff involved in the business regulatory process be fully trained and prepared to provide courteous, end-to-end support to business customers. Regulatory staff must be well versed in the key regulatory processes and the One City Business Portal.

Customer Service. High quality customer service demonstrates to applicants that the District welcomes their business and is committed to their success.

Selection/Hiring. New employees will be recruited and hired against a higher technical proficiency standard for code interpretation.

Staff Augmentation. An increase in the number of trained professionals conducting plan reviews—staff will possess the appropriate knowledge and skills, developed through formal education, work experience, or certification.

Comprehensive Training Program. Implement front line and customer service training—delivered in classroom settings or via webinars—on regulatory codes, DCRA processes, and information systems.

Process

Clear, consistent procedures are integral to the District's business licensing and construction permitting system. Flowcharts can be a powerful tool for capturing and communicating processes. The major process recommendation is the development of process flowcharts that document major business license and permit application processes.

A working group of stakeholders including representatives from DCRA, partner agencies, and business customers should review current procedures and create a flowchart detailing the activities in each of the most important business licensing and permitting processes. The development of these flowcharts will serve as a critical first step in refining the business regulatory process. The working group should focus on eliminating steps that are redundant, or otherwise unnecessary, in order to streamline the regulatory process.

Process Documentation. Flowcharts document standardized processes to which District staff and customers can commit.

Workflow Management and Continuous Improvement. Key processes must be documented before they can be refined and managed.

Programming. Documenting and streamlining key processes is a critical prerequisite in the design of information technology solutions.

Regulatory and Quality Management Requirements. Business processes may be subject to regulatory requirements that require clearly defined and documented procedures.

TASK FORCE RECOMMENDATIONS:

10. Utilize multiple communications strategies among DCRA, sister review agencies, and permitting customers, to ensure that applicants understand and are prepared for the permitting process.

11. Eliminate building permit requirement for submission of drawings on small business projects where there are no alterations affecting structural, means of egress, mechanical, electrical and plumbing, accessibility or fire safety; i.e., Level 1 alteration, cosmetic remodeling or no work change of occupancy.

12. Relocate the Rental Accommodations registration process from DHCD to DCRA—make the process available online or via self-certification.

Technology

13. Create a One City Business Portal. Connect the key District agencies involved in processing business licenses and construction permits [e.g., ABRA, DCRA, DDOE, DDOT, DOH, DSLBD, OCP, and OTR] on a common web based platform with single login access. Allow online applications for all facets of the regulatory process, including "Clean Hands" and related tax certifications.

14. Acquire hand held field equipment and software to improve DCRA's ability to review plans and report on inspections, in real time, from the field.

Legislative

15. Update District agency rules and regulations with new language that applies to all agencies and corresponding processes that reflect the realities of the competitive marketplace while making efficient use of District resources.

16. Conduct a thorough review of the regulations that agencies are authorized or required to administer and (a) prepare a listing of current regulations; (b) evaluate current regulations, for their effectiveness in providing guidance on processes, procedures and interpretation of laws; (c) update existing regulations to reflect current needs, policies, and procedures, and note areas where legislative action is required to correct problems; (d) review administrative interpretations; and (e) review application forms, accompanying instructions, and other documents to ensure their consistency with regulations.

Technology (Please See Figure 1)

The launch of the One Stop Permit Center streamlined the permit review process through physical co-location of reviewing agency personnel. The Technology Working Group recommends the creation and implementation of a One City Business Portal "Business Portal". The business portal will be a comprehensive online Information Technology system comprising all business regulatory information, wizards and dashboards. The purpose of the business portal is to help entrepreneurs and current business owners easily find, understand and comply with relevant D.C. government business regulations. The portal will be designed so that all relevant information will be populated in a single application and forwarded to every agency that should receive it, at one time. The end product will allow users to access business-related services from eight agencies through one site. The agencies include, the Department of Consumer and Regulatory Affairs, the Department of Small and Local Business Development, the Office of Tax and Revenue, the Alcoholic Beverage Regulation Administration, the Department of Transportation, the Department of Health, the Office of Contracting and Procurement and the District Department of the Environment.

The One City Business Portal will introduce additional efficiencies by connecting agencies on a single information technology platform. The portal will support the streamlined processes captured in the flowcharts proposed under Process. The portal will be the single gateway that business customers use to initiate, or check the status, of regulatory processes. It will drastically increase inter-agency coordination and communication bolstering review process efficiencies in evaluating resources, submittal quality, and code requirements.

Single Access Point. Businesses will be able to login to one online system for all business-related activities with participating agencies; e.g., DCRA, OTR, DDOT, DSLBD, OCP, ABRA, DOH and DDOE.

Content Syndication. The portal will eliminate the need for repeated input of information into multiple agency systems. As a centralized repository for key information, updates will be readily available to business customers and agencies as well.

Delegation of Authority. The portal will be designed with security features to protect confidential information and intellectual property. Business users will have the ability to assign access rights to owners, agents, and 3rd party representatives.

User-Friendly. Online services accessed via the portal will be convenient, intuitive, and easy to use. Information will be accessible and easy to understand as part of a streamlined process that customers can complete almost entirely online.

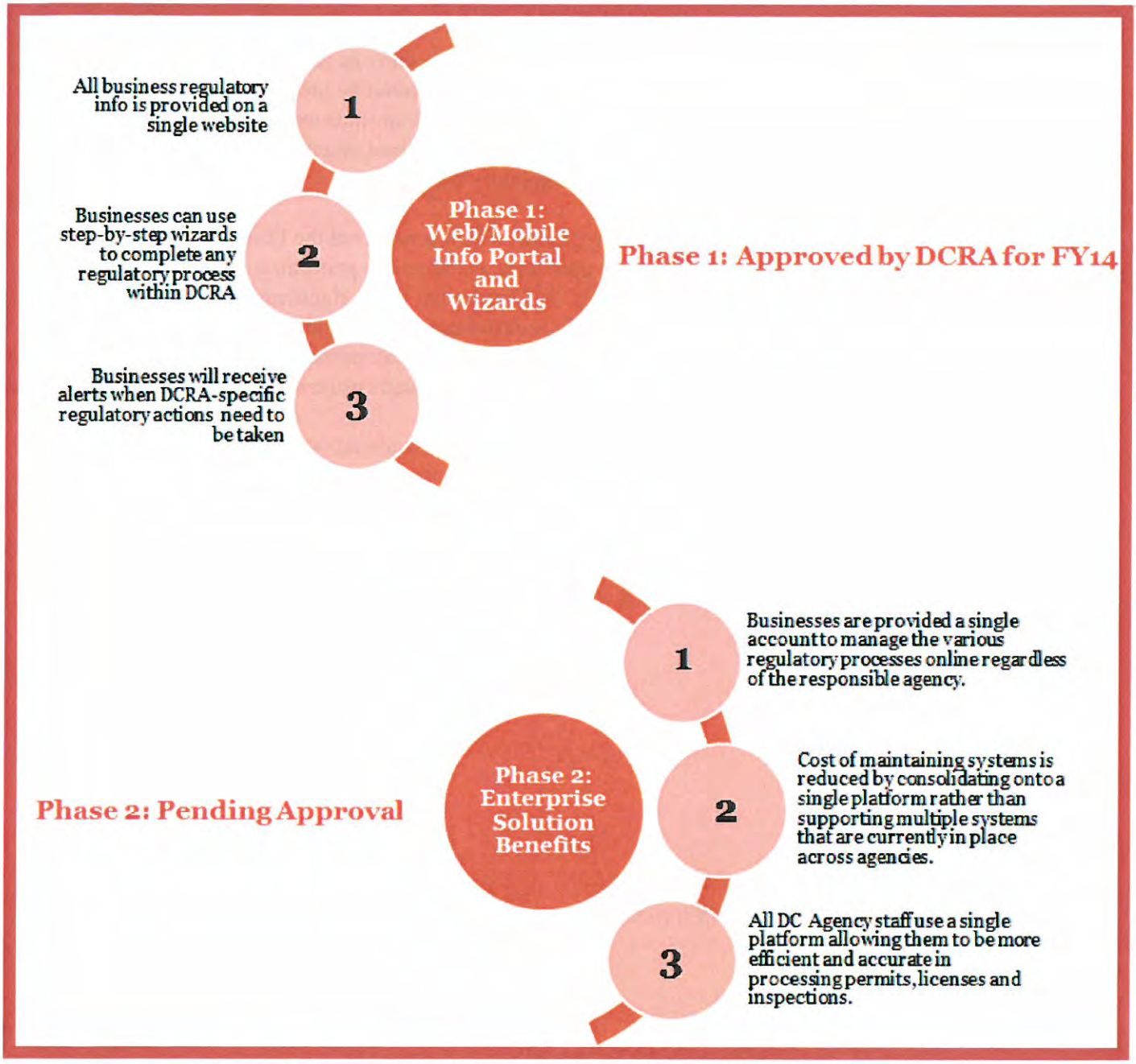

FIGURE 1. ONE CITY BUSINESS PORTAL SOLUTION OVERVIEW

SUMMARY

The Business Regulatory Reform Task Force was launched by Mayor Gray as an indication of the District's commitment to the local business community. The Task Force—co-chaired by proven senior executives and comprised of members from seven economic growth sectors and four trade organizations—conducted research and analysis on the current business environment, trends, and best practices to provide the Mayor with a comprehensive, detailed report on the business regulatory process.

The Task Force was divided into functional working groups, which scrutinized the District's current regulatory landscape concerning business-licensing processes, construction permitting processes, legislation and technology. The working groups found that, while the District has made significant progress in attracting and retaining businesses, there are still opportunities for improvement that would help to streamline the overall regulatory process. Key findings include, but are not limited to inconsistent regulations, lack of communication between reviewing agencies, stove piped IT systems, and customer service deficiencies.

The Task Force's final actions were to document their findings and provide recommendations to the Mayor along with justifications and action items. Critical recommendations include the refinement and documentation of key regulatory processes, creation of the One City Business Portal, and redoubled efforts to improve customer service through training and changes in employee recruitment and staffing.
The Task Force urges the Mayor to create an advisory group, with representatives from the business community as well as District agencies, to help guide the implementation of the changes needed to make the District a great place to do business.

"I appreciate the Mayor putting his trust in me and with Director Majett and the other members of the Task Force. I'm sure we will have a positive impact on the regulatory environment of the District for new and existing District businesses."

– David Goldblatt, Co-Chair
Partner, Goldblatt Martin Pozen LLP

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ABOUT THE BUSINESS REGULATORY REFORM TASK FORCE

- **CHARGE OF THE TASK FORCE**
- **WORKING GROUPS**
- **INTER-AGENCY COORDINATION**

BUSINESS REGULATORY REFORM TASK FORCE

Mayor Vincent Gray established the Business Regulatory Reform Task Force in February 2013, bolstering his business friendly jurisdiction philosophy. The Task Force's objectives: Evaluate the District's current regulatory process. Identify process deficiencies and impediments. Provide recommendations to help create the "most business-friendly economy in the nation." The Task Force is co-chaired by DCRA Director Nicholas Majett and Goldblatt Martin Pozen LLP Partner, David Goldblatt and includes over 30 members from seven economic growth sectors and private and public sector organizations.

The Business Regulatory Reform Task Force held its initial public meeting on Thursday, March 14, 2013, which included an introduction to the Task Force, the charge of the Task Force, and an overview of the process. The Task Force developed a strategic nine-month plan to examine processes, review the District's business laws and regulations, assess internal operations, and review information technology systems. DCRA Director and Task Force co-chair, Nicholas Majett, provided the Task Force with an overview of DCRA's current licensing and permitting processes and he urged Task Force members to familiarize themselves with DCRA's Permit Center and coordinating agencies' standard permitting and licensing operations.

The Task Force initiated a public outreach initiative, to broaden its perspective and ensure a comprehensive and inclusive approach to identifying and reducing regulatory burdens on businesses. Outreach efforts were intended to gather contributions from those who otherwise might not have the opportunity to participate in the review of the regulatory process. On September 10, 2013, the Task Force held a public hearing aimed at soliciting input from the public for the Task Force. The Task Force also invited members of the public to submit comments in writing online and via first-class mail. Public comments raised Task Force awareness and improved the depth of understanding of the regulatory challenges businesses face. Subsequently—and based in part on the public's suggestions—the Task Force recommended that an advisory group be formed to monitor new legislative and regulatory proposals and to work directly with agencies, legislators and organizations to ensure that the interests of businesses are considered.

Follow-on Task Force public meetings included remarks by the Honorable Mayor Vincent Gray and a host of business regulatory reform presentations by local scholars, professional consultants, and technical experts. Additionally, the Task Force created subordinate working groups tasked with examining key functional areas within the business regulatory reform process. The working groups' key findings are provided in Section Three of this report and include testimonials and feedback from diverse organizations and businesses within the District.

Charge of the Task Force

Together, the diverse group of District business cohorts is charged with identifying any internal and external factors that otherwise might impede the progress of a business. Each member's responsibility to the Task Force and the Mayor includes recommendations for proposed process improvement, technological solutions, legislation to modify existing regulations administered by DCRA and other agencies, and continued monitoring and tracking of current and future proposals to reform processes, technology or regulations and their potential impact on businesses.

1. Examine the processes by which licenses and permits are issued by various government agencies and develop recommendations for simplifying and streamlining the processes

2. Review the District's business laws and regulations, identifying outdated or overly burdensome provisions, and recommend legislative and regulatory solutions

3. Everything is on the table for the Task Force: DC laws, DC agencies' regulations, agency processes, agency areas of responsibility, IT systems

I think we're going to come across, in a lot of areas, especially on the development side, some regulation changes that can make a huge difference ensuring that businesses can open in the District and remain open in the District. That's the key.

– Nicholas Majett, Task Force Co-Chair

Working Groups

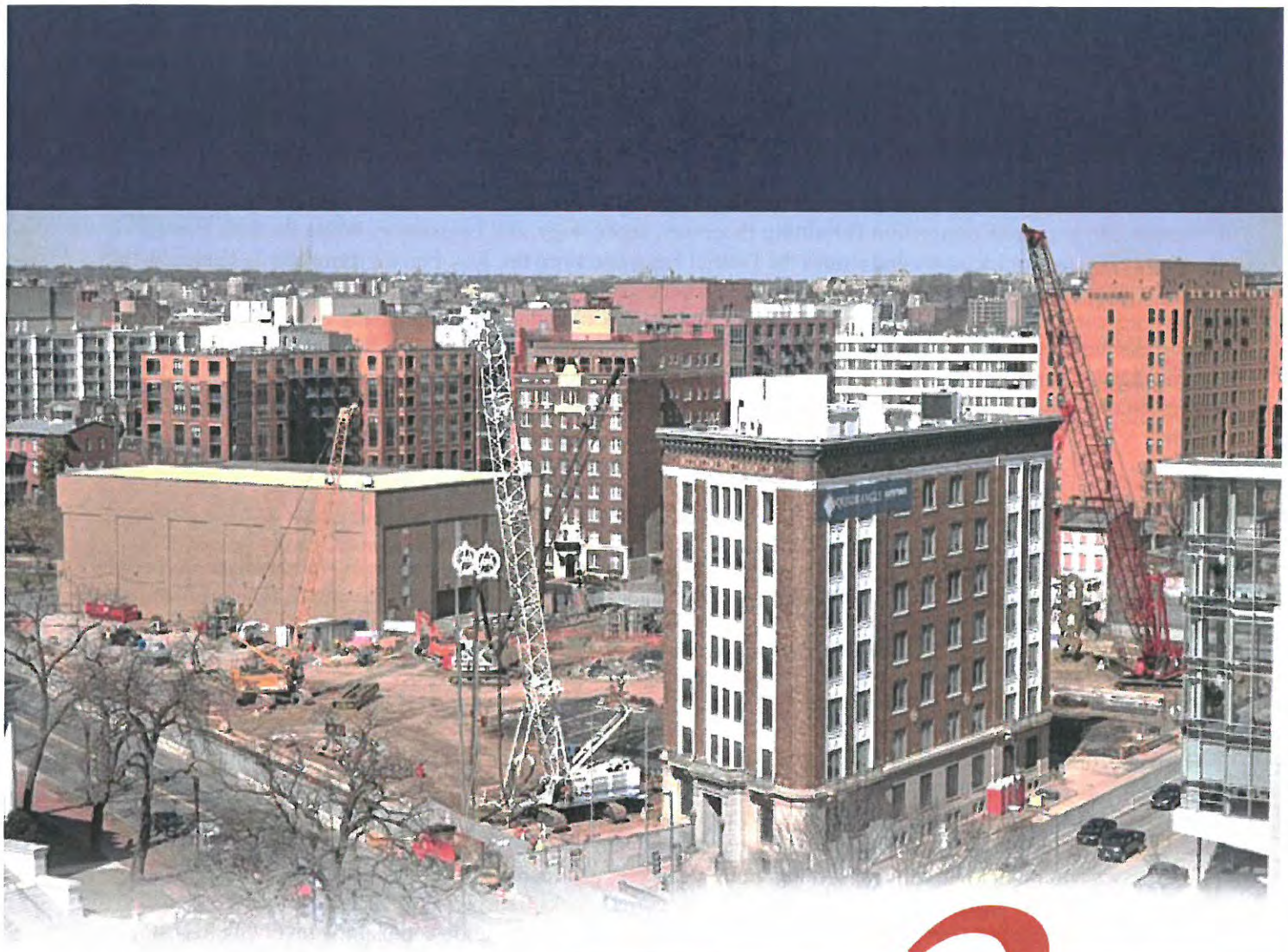
The Task Force—divided into four working groups—methodically examined the District's regulatory process within four functional areas: Streamlining Business Licensing Processes (SBLP), Streamlining Construction Permitting Processes (SCPP), Legislative, and Technology. Upon completion of nine months of strategic business process analysis, the working groups collectively met to present findings and introduced recommendations and key action items to the entire Task Force. The Task Force openly discussed all working group recommendations and action items and voted on which recommendations (including amendments and clarifications) would be presented to the Mayor and incorporated into a final report.

Inter-Agency Coordination

DCRA spearheads the business regulatory process but is only one of the District's various review agencies engaged in the construction permitting or business licensing processes. Agencies such as DDOE, DDOT and MPTD participate in permit reviews for air and water quality, public space, and access to public locations—respectively. Other organizations, including DOH, DC Water (WASA), OP/HPRB, and FEMS, likewise, play vital roles in the successful review and provision of permits or licenses. The District currently manages its inter-agency efforts via the Accela Automation ® software, which allows for citywide agency coordination within the permitting process. The Accela Automation ® toolset allows inter-agency users access to workflow, workflow history, application information and tables as well as the ability to manage inspections, fees, and documents. ***Figure 2-1*** provides a snapshot of the software and inter-agency tasks and status dates.

Task	Status	Status Date	Action By
Plan Review Coordinator	Applicati...	07/11/2013	Aaron Eas...
Mechanical Review	Mechanica...		
Elevator Review	Elevator ...	07/11/2013	
DDOE Review	DDOE Revi...	07/11/2013	
DDOT Review	DDOT Revi...		
WASA Review	WASA Revi...	07/11/2013	
DOH Review	DOH Revie...	07/11/2013	
HPRB Review	HPRB Revi...	07/11/2013	
BZA Review	BZA Revie...	07/11/2013	
EISF Review	EISF Revi...	07/11/2013	
CFA Review	CFA Revie...	07/11/2013	
White House Review	White Hou...	07/11/2013	
Chinatown Review	Chinatown...	07/11/2013	
NCPC Review	NCPC Revi...	07/11/2013	
Management Review	Managemen...	07/11/2013	
File Room	Pending C...	07/11/2013	
Zoning Overlay/PUD Review	Overlay/P...	07/11/2013	
WMATA Review	WMATA Rev...	07/11/2013	
Fire Hydrant Verification	Fire Hydr...		

FIGURE 2-1. THE ACCELA AUTOMATION ® SOFTWARE ALLOWS FOR EFFICIENT COORDINATION



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KEY FINDINGS

- **STREAMLINED BUSINESS LICENSING PROCESSES**
- **STREAMLINED CONSTRUCTION PERMITTING PROCESSES**
- **TECHNOLOGY**
- **LEGISLATIVE**

KEY FINDINGS

The Business Regulatory Reform Task Force was divided into working groups responsible for the analysis of processes, resources, and accessibility of each of their respective functional areas: Streamlined Business Licensing Processes, Streamlined Construction Permitting Processes, Technology, and Legislation. While the Task Force recognizes the current successes and strides the District has made since the Task Force's formation in February 2013, the members continued to examine how the District could implement meaningful efficiencies to streamline its regulatory requirements for doing business in the District of Columbia. Therefore, many of the key findings of each of the working groups (provided below) are consistent with and parallel the District's most current process improvements addressing the accuracy of electronic records, accessibility of current information on DCRA's website, expansion of online services, training and customer service, and the communication of regulatory and administrative changes.

Streamlined Business Licensing Processes (SBLP)

The Streamlining Business Licensing Process Working Group will identify and address areas of priority where overlapping and inconsistency of policies and procedures impede the issuance and renewal of business licenses, relating to moving to an entirely online-same day issuance process. Identify license process challenges encountered by small businesses that can be eliminated or simplified. Streamline all paperwork/information required by all agencies involved in the business licensing process. Create a comprehensive inter-agency business center to register and license businesses and/or get agency approval for a development project.

The SBLP working group—led by Mr. Charles Barber of the Higher Education and Health Care Economic Growth Sector—reviewed the business licensing process from cradle-to-grave for procedures affecting nearly **11,000 new filing entities** (domestic and foreign) per fiscal year and more than **27,000 active business licenses** within the District (Indices, 2013). The SBLP group found that the regulatory process is not optimal for the efficient regulation of businesses within the District. The working group's analyses and feedback suggest that the District's regulatory framework offers too many business categories (165 categories), lacks transparency, and is disjointed (due to the impractical steps that business customers have to undertake). The most common complaint—involving licensing processes requiring coordination between multiple District agencies—is the absence of a fully integrated online system, which compels applicants (or a third-party representative) to visit each brick & mortar agency location. The collective impediments result in process redundancies, erroneous documentation, unnecessary administrative steps, prolonged processing, and most importantly—dissatisfied customers.

Streamlined Construction Permitting Processes (SCPP)

The Streamlining Construction Permitting Process Working Group will identify and address areas of priority where overlapping and inconsistency of policies and procedures impede the issuance of construction permits. Develop and coordinate a project permitting reform with the following agencies/companies (DCRA, DDOT, DDOE, HPRB, DC Water and utilities). Standardize all paperwork/information required by all agencies involved in the construction permitting process.

Ms. Cheryl Hamilton, Principal of Adaoha Properties, LLC led the SCPP working group. The revitalization of the nation's capital continues, with a steady stream of new housing, retail, and office projects planned or already underway. With this in mind, the SCPP group took on the daunting task of dissecting a construction permitting process that has grown steadily to more than **41,000 building permits** issued in fiscal year 2012 (Indices, 2013). The group organized its findings into key categories: communications, coordination, process improvement, equipment, staffing & training, and laws & regulation. Their efforts point to the critical need for improved customer support and staff training based on customer perceptions, including the following: (1) insufficient number of staff conducting plan reviews; (2) need for additional training for plan reviewers; (3) sub-standard customer service; (4) lack of a tracking system to monitor application review tasks; and (5) poor quality feedback from plan reviewers.

While DCRA owns the construction permitting process, it relies heavily on the cooperative efforts of other agencies and private utilities—each with its own mission, organizational culture and reporting structure. The group found that significant permitting delays result from ineffective communication among DCRA, reviewing agencies, and permit customers. The shortcomings in the construction permitting process mirror those of the business licensing process—delays in the review process, inaccessible codes and regulations, problems with third-party representatives, misinformation, and most importantly, dissatisfied customers.

I would like to see DCRA be made more efficient and transparent in their permit review processes and made truly responsive to 'Client and Customer' needs and inputs so that the permit review process is run thoroughly, quickly and competently...

– Business Owner, Washington, D.C.

Technology

The Technology Working Group will investigate technological changes and/or [innovative] processes that will [improve] the business regulatory process in the District of Columbia. Reduce regulatory burdens on those doing business in the District by simplifying the permit and application processes.

The Office of the Chief Technology Officer (OCTO) has maintained a mission to direct the strategy, deployment and management of the District's technology with a commitment to efficiency and value for both government and business end-users. In alignment with the Mayor's initiatives for improving regulatory business processes, the District has seen the implementation of innovative IT solutions such as Accela Automation ® in FY2010, used as a citywide platform for permitting and licensing applications (FY2010). Additionally, the District introduced feedback platforms such as http://grade.dc.gov/ in FY2012, where District agencies are graded on their service to the public on the basis of comments and surveys. The Task Force's Technology working group reviewed the current regulatory landscape, identified areas for opportunity, and increased IT efficiencies within the District's regulatory process.

Chaired by Veronica O. Davis of the Federal Government and Federal Contractors Economic Growth Sector, the working group's most significant findings all pointed to the absence of a centralized, integrated IT platform. The Technology group immediately ascertained that while the District bolsters economic development, promotes small and minority business participation, and continues to attract organizations to the nation's Capital, the District lacks a robust online toolset that adequately meets the growing demand of its past, present and future business customers. Existing IT protocols and resources continue not only to frustrate business applicants but participating permitting and licensing agencies as well.

DCRA should also expand its web based services so that it will facilitate reporting, registration, and permitting requirements. Increasing online services will help business owners keep their companies in good standing in the District of Columbia, and accelerate operations so that they can be competitive especially against markets in other jurisdictions.

– DC Association of Beverage Alcohol Wholesalers

Legislation

The Task Force found that regulatory requirements often impose burdensome and unnecessary demands on businesses, particularly small businesses with limited resources. In addition, businesses felt that they too often learned about new legislation and regulations after the laws had been put into place rather than during deliberative phases where their views might have been considered. The Task Force felt that failure to recognize the degree of impact on small business in the regulatory process could adversely affect marketplace competition, innovation and productivity, which discourages entrepreneurs from starting businesses in the District.

The Task Force recommends a coordinated effort between relevant government agencies, the Council, and the public to review existing regulations for adverse business impacts. That work would include providing recommendations to revise, repeal, or maintain regulations based on that review with the intent of simplifying regulations and eliminating or preventing rules that unfairly harm business and the economy. The goal here is to help the District become more efficient and to be more business friendly by creating a clear, predictable, and reliable regulatory system.
A predictable and fair regulatory environment is critical to creating a vibrant and dynamic economic environment that supports job growth.

On March 28, 2014, the District of Columbia adopted the 2013 DC Construction Codes. The new codes reflect some of the most modern, sustainable, and energy- and water-efficient building practices, and will replace the District's 2008 Construction Codes. See Figure 4-5.

By adopting the 2013 DC Green Construction Code and the 2013 DC Energy Conservation Code as mandatory codes applicable to public-and private sector buildings, the District has achieved a national leadership role in fostering green-building practices. Both codes will fundamentally transform the way buildings are constructed in the District.

The District's new Construction Codes make clear our commitment to sustainable building practices and to our Sustainable DC vision. . . The new codes will greatly reduce our carbon emissions; conserve our natural resources; and help property owners save substantial amounts of money on their energy bills."

– The Honorable Vincent C. Gray
Mayor of the District of Columbia

4

RECOMMENDATIONS

- **ADMINISTRATION**
- **PROCESS**
- **TECHNOLOGY**
- **LEGISLATION**

RECOMMENDATIONS

The Business Regulatory Reform Task Force was strategically assembled—including a diverse membership of industry leaders and stakeholders within the DC business environment—to represent a snapshot of the overall market and develop a comprehensive approach to resolve inefficiencies within the regulatory process. This particular model, based on the group's dynamics, allows for an exhaustive and in-depth look at the regulatory process and as such, the key findings and recommendations integrate a comprehensive application of quality, performance, process management, and best practices to ensure all-inclusive methods are available to assess the quality of delivered services while providing the capabilities to improve them. Subsequently, many recommendations include action items, which echo the comprehensive, approach undertaken by the Task Force and, therefore, may be interdependent of one another.

It is also important that readers understand that many of the Task Force and working groups' findings and recommendations are interdependent of one another and are not stand-alone items. While the recommendations have been grouped into four functional areas (Administration, Process, Technology and Legislation), successful implementation and execution of the recommendations in one area, rely on the successful implementation and execution of one or more recommendations from another functional area. For example, technological recommendations contain action items that are successive to improved administrative and process techniques. Thus, the following recommendations have been categorized into the three areas based on their function only and does not prescribe the order in which recommendations and action items should be executed.

Administration

1. **Recommendation:** Establish an advisory group to monitor and track proposals to reform processes and regulations and identify their potential impact on business.

   Action Item(s): In order to ensure ownership and receive sufficient authoritative support, the District government needs to officially establish and recognize the advisory group.

2. **Recommendation:** Require greater transparency from all Boards and Commissions, and other government agencies who issue occupational, professional, or business licenses. Each entity should begin this process by soliciting input from industry participants, in a public forum, on how processes, rules, and regulations can be streamlined. The District, traditionally, makes changes to processes, rules, and regulations without regard for the public or the impact on the business community. This recommendation does not attempt to restrict the executive level decision-making process or allowable discretion, but the Task Force believes that any substantive changes to business processes and procedures warrant proper notification to affected entities within the District.

   Action Item(s): In order to ensure ownership and receive sufficient authoritative support, the District government needs to officially establish and recognize the advisory group.

3. **Recommendation:** Create flow charts mapping the processes for obtaining the most important business licenses and permits. Refine each process to ensure that they are as efficient and effective as possible. Updated flow charts will be posted online for use by businesses as well as District agencies. A clear, concise flow chart will visually represent and display the sequence of activities in the regulatory processes (permitting and licensing). It will also illustrate who is responsible for the associated activities. An effective flow chart will incorporate responsible parties and indicate timeframes for each activity.

Is there a checklist available anywhere that lists explicitly the steps required for the registration and licensing process? If there were a step-by-step checklist available at DCRA check-in counters and/or online...it would help [the staff] answer a lot of the issues that come up.

– Small Business Owner, Washington, D.C.

4. **Recommendation:** Develop training for staff involved in the licensing process. Training should be extended to staff at nonprofit organizations, funded by the District of Columbia, who provide assistance to District businesses, particularly those providing technical assistance to small businesses. Business applicants look to agency staff to provide them with technical expertise and proficiency in completing an already beleaguering process.

   Action Item(s): As the business processing workflow becomes more consistent and transparent and business applicants increase their online application activities, agency staff will need training on updated and revised processes and procedures. Staff training should occur simultaneously with the implementation of the online tools and web based applications.

BEST PRACTICE: While DCRA's Development Ambassador Program focuses on permitting for large projects, several cities across the U.S. have established similar ambassador services for projects of all sizes and for both permitting and licensing functions. These programs provide "coaches" to business owners to guide them from application through issuance. Coaches communicate with business owners via phone, email, web services, and face-to-face meetings.

5. **Recommendation:** Conduct a DCRA review, informed by best practices research from other jurisdictions, on the optimal number of business license classifications.

   Action Item(s): (reference recommendation # 3) The inter-agency working group should conduct further analysis of the current license categories and consider modifying the categories to remain consistent with the North American Industry Classification System (NAICS) or make changes to the existing categories.

6. **Recommendation:** Increase the number of DCRA staff assigned to permit review. Concurrent with this effort, increase the requirements for technical proficiency in code interpretation and institute customer service training for all personnel.

   Short-Term Action Item(s):

   - Increase number of trained professionals at DCRA conducting reviews of plans submitted with permit applications. Hire new technical staff whose attributes include a combination of relevant education, work experience, certifications and outstanding communication and customer service skills. Require proof of current certification in the Codes associated with a particular position when recruiting for new technical review employees
   - Develop and implement a program of incentives for current technical staff to obtain certifications
   - Provide webinars and in person training programs for professional staff in Construction Codes, and DCRA processes or provide reimbursement for professional training in the various codes administered by DCRA

- Enhance training, including customer service training, for front line staff and those supporting professional staff. Include language skills training, both oral and written, for DCRA staff having direct interaction with customers; ***See Figure 4-1.***

FIGURE 4-1: QUALITY CUSTOMER SERVICE RELIES ON CONTINUOUS STAFF TRAINING

- Hire or designate a coordinator to oversee the preparation and maintenance of regulations, administrative bulletins and process guidelines as well as the review and periodic updates of permit applications and instructions for completion
- Hire a Special Inspections Coordinator for all large, complex projects
- Establish and assign to the Permit Center a well-qualified team of plan review staff that can handle walkthrough reviews, relieving more senior or certified staff to address file job reviews
- Train staff to recognize the District's historic districts and historic preservation requirements as well as triggers for National Capital Planning Commission and Commission of Fine Arts reviews. This will help ensure permits are routed and tracked to these agencies in a timely fashion when required
- Increase cross-training of staff to provide better working knowledge of aspects of DCRA's operations beyond just the area with which the individual staffer works
- Require staff to be proficient in interpreting and understanding the current construction codes; bi-annual proficiency testing should be instituted for DCRA staff
- Establish training programs for architects/engineers in construction codes and DCRA application processing procedures
- Implement webinar and video training curriculum to provide technical support, construction codes, understanding the DCRA process
- Obtain, utilize and keep updated all relevant reference material and standards as required for plan reviews and inspections (i.e. international building codes, NFPA fire codes, ISO codes, etc.). It is recommended that these be digital versions and that the cost of annual licenses be budgeted
- Provide language skill training both oral and written for DCRA staff who have direct interaction with customers
- Make available or provide reimbursement for professional training in the various codes administrated by DCRA

Long-Term Action Item(s):

- Create and staff a dedicated Residential Plan Review Program
- Add security to the Permit Center to maintain orderly operations at the Center. Prohibit business solicitations by third parties on the floor of the Permit Center and bar prior offenders from the Permit Center
- Assign dedicated staff for sign permit review, inspections and enforcement for all signs, banners, special signs and billboards
- Require proof of current certification in the Codes associated with a particular position when recruiting for new hires of technical review employees
- Schedule a forum bringing together Washington Area Council of Engineering Laboratories, Inc., SEA, ACT, DC Building Industry Association, DC Alcohol and Beverage Control, and Special Inspection and testing agencies along with other major stakeholders to discuss key points for effective implementation of the Special Inspections program. Application of program requirements is not currently consistent across all agencies

7. **Recommendation:** Improve and expedite the construction permitting process eliminating (where possible) redundant reviews and time wasted reviewing incomplete applications. See Figure 4-2. The Task Force proposes cost-effective implementations which should reduce the time associated with the review and issuance of building permits.

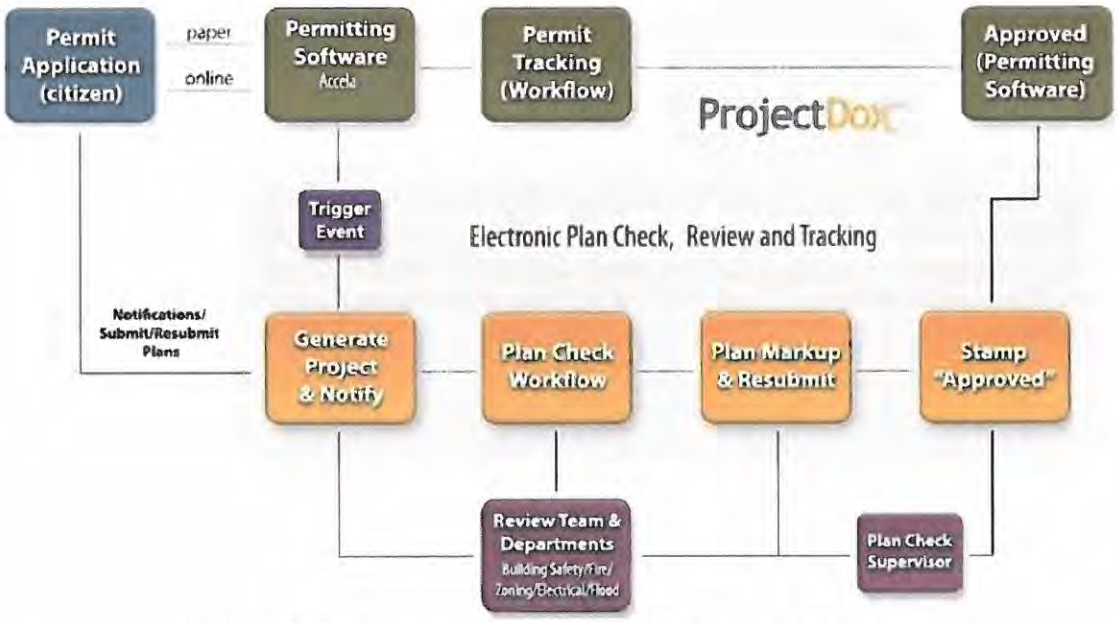

FIGURE 4-2: THE DISTRICT'S ELECTRONIC PLAN CHECK PROCESS WILL STREAMLINE SERVICES

Short-Term Action Item(s):

- Recommend that DCRA require all permit applications include contact information for the owner/developer and the licensed general contractor. These are requested in order to better coordinate the work being reviewed and approved. Presently, applications often carry the contact information of the expediter only. This is especially true of foundation to grade, sheeting and shoring, and demolition permits. However, it would also be advantageous to have this information for other types of permits as well (i.e. sign permits, raze, etc.). Having this information will allow DCRA to minimize the time delay in communicating with owners/contractor

- Establish Permit Operations Division Technical Reviewer as the point of contact within DCRA for each "file job"

- Similar to other jurisdictions where walk thru projects are more prevalent, recommend that DCRA review criteria for a "walk through" job and consider amending its acceptance criteria to increase the types of walk thru permits

- Implement a process to require pre-certification of occupancy meetings among reviewing entities for certain types of projects that will provide needed guidance to contractors/developers to identify and address all issues that could affect the timely final inspections and issuance of a Certificate of Occupancy (COO)

Short-Term Action Item(s):

- Review certificate of occupancy guidelines (instructional documents are sometimes out of date and confusing) for clarity
- Review intake procedures to ensure that only relevant and current practices are followed, thereby eliminating any legacy reviews that are unnecessary
- Implement the use of a program such as "RS Means" to calculate the estimated construction cost in lieu of self-certification of the project value by an applicant (or applicant's representative). This is applicable to permits where review fees are based on estimated construction cost
- Facilitate fee collections by implementing online credit card payments for initial filing fees. In the event that the cashier's window is excessively busy, recommend that OCFO's office consider allowing certain DCRA staff to process credit card payment of fees as well
- In order for DCRA to eliminate unnecessary storage of plans and files, implement a project close out that notifies applicant that within 90 days of non-activity (abandonment), the project will be closed out and the paper plans and files discarded

Long-Term Action Item(s):

- Strengthen coordination between DCRA's Office of Information Systems (OIS) and all coordinating review agencies to ensure all addresses are flagged in Accela for the appropriate reviews (i.e., Historic Preservation Office for historic districts and sites, National Capital Planning Commission for areas under federal review, DDOE for locations in FEMA-designated flood hazard areas, etc.) ***See Figure 4-3.***

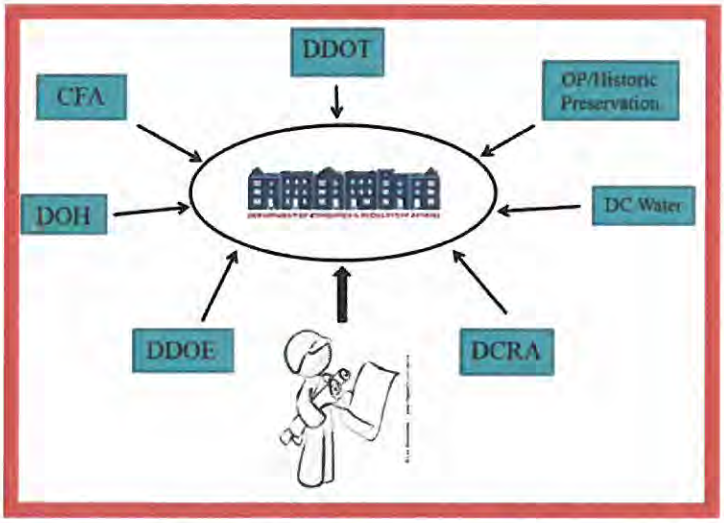

FIGURE 4-3: : CONSTRUCTION PERMITTING INVOLVES INTER-AGENCY PARTICIPATION

- Recommend that DCRA augment staff to better screen applications to ensure that correctly worded work descriptions, estimated cost of work, use and occupancy, etc. are included
- Implement a program that relates the building permit number to the certificate of occupancy; for example, if there are several permits for one address it will be clear which building permit is associated with the particular certificate of occupancy
- Increase in-field coordination between DCRA and sister agency inspectors who have ward assignments

8. **Recommendation:** Establish an "ambassador" program to support licensing applicants with particularly complex customer service needs.

9. **Recommendation:** Improve the efficiency and effectiveness of the major reviewing agencies on construction permits (DCRA, DDOT, DDOE, OP, DC Water, and utilities) by examining their processes and implementing changes that will reduce permit review time while maintaining or enhancing the overall quality of reviews. Agencies should consider resources, processes, submittal quality, and code requirements as critical parameters during application reviews.

   Short-Term Action Item(s):

   - Hold inter-agency forums, a predetermined schedule, for information sharing and collaboration on process changes
   - Develop and publish agency-specific review checklists
   - Agencies should coordinate with DCRA to develop a succinct process for establishing new Accela user accounts for plan reviewers and inspection staff
   - Publish relevant policies in a FAQ section on the DC Water website
   - Launch, in cooperation with DCRA, an effort to educate applicants about agency issues and the respective review process
   - Encourage applicants to submit only the materials that reviewers need to see
   - Streamline agency specific processes

   Long-Term Action Item(s):

   - Develop an online resource where reviewing agencies can share data from their respective tracking programs
   - Ensure outreach and coordination with the broader community of DCRA stakeholders—including DOH and OTR
   - Increase the number of staff dedicated to application reviews

10. **Recommendation:** Utilize multiple communications strategies among DCRA, sister review agencies, and permitting customers, to ensure that applicants understand and are prepared for the permitting process. The District's inter-agency lines of communication and lines of communication with industry both, suffer from a lack of clearly delineated channels and processes. The adverse effects of this inefficiency directly correlate to delays in the review process, a lack of familiarity and misinformation pertaining to applicable codes and regulations, incomplete and inaccurate application forms, and incompetent and/or unprofessional third-party representatives.

    Short-Term Action Item(s):

    - Enhance and expand the DCRA website to provide: clear and full access to the various codes and regulations administered by DCRA, including the Construction Codes, as well as administrative bulletins and procedural guidelines; and a clear explanation of all applicable permit processing procedures (from Environmental Intake Screening Form (EISF) to Certificate of Occupancy [C of O]), including DCRA's role as the coordinator, the role of other review agencies, and applicable review processes. Also, provide details on inspections procedures (including those related to zoning and the Surveyor)s

- Provide automated email notification to permit holders that the permit, without the required inspection, will expire

- Revise the permit application and intake forms, both on paper and online, to be consistent with applicable codes, regulations and review procedures to capture important and consistent information and data for tracking and recording on the final issued permit. Provide accurate and updated instructions to customers to assist in application preparation

- Create and distribute a quarterly e-newsletter to all stakeholder groups to keep them informed of agency, administrative, and regulatory changes related to construction permitting, including updates to the Codes. This could be done to either replace or supplement the current quarterly meetings which seem to be poorly attended

- Develop and offer an anonymous feedback survey, via email, to customers upon the issuance of construction permits

Long-Term Action Item(s):

- Develop and issue administrative bulletins to provide interpretive guidance on various provisions of the Construction Codes and information regarding applicable matters not covered by the DCRA-administered Codes. Distribute bulletins to DCRA staff, coordinating agencies and customers to provide a consistent baseline of information on the permitting process

- Produce high-quality online instructional videos to illustrate key permitting process procedures, as well as, promotional videos to promote the benefits of ProjectDox for plan submissions. Make the videos available on DCRA's website and publicize them to stakeholders and industry groups

- Expand the availability of DCRA's Small Business Resource Center services (including those related to providing customer assistance for permit applications) from appointment only to regularly scheduled walk-in hours

BEST PRACTICE: Cities across the country are employing creative methods to communicate important information to citizens and businesses. Posting information to social media, including Twitter and Facebook has become quite common, and many DC agencies currently use these social tools. Posting professional, easy to understand YouTube videos has also become a popular method to reach the public. Some jurisdictions partner with local media to run "advertorial" sections in their publications, providing multi-page tutorials on navigating regulatory processes. Another best practice is providing various professional and community organizations with information that they can communicate to their members.

In addition to improving communication with customers, it is important to optimize communication between government agencies. Best practices in this area include:

- Establishing interagency stakeholder meetings that occur regularly and include time for interaction with the public
- Integrating technologies across agencies to ensure a seamless process for completing transactions
- Auditing of interagency processes to identify areas of duplication or inconsistency

11. **Recommendation:** Eliminate building permit requirement for submission of drawings on small business projects where there are no alterations affecting structural, means of egress, mechanical, electrical and plumbing, accessibility or fire safety; i.e., Level 1 alteration, cosmetic remodeling or no work change of occupancy. This is intended to serve as a means of streamlining the permitting process for small business owners who have many hurdles to clear just in order to open shop. This saves the business owner money by not having to pay for preparing construction plans, where no work is occurring, and also time from not having to go through weeks in the review process.

12. **Rental Accommodations:** Relocate the Rental Accommodations registration process to DCRA rather than DHCD and/or make the process available online or available via self-certification.

Technology

13. **Recommendation:** Create a One City Business Portal. Connect the key District agencies involved in processing business licenses and construction permits [e.g., ABRA, DCRA, DDOE, DDOT, DOH, DSLBD, FEMS, OCP, and OTR] on a common web based platform with single login access. Allow online applications for all facets of the regulatory process, including "Clean Hands" and related tax certifications. The District's stance on revitalizing its IT infrastructure and interoperability between agencies is directly in line with the Task Force's findings. The District continues to endeavor to implement innovative and user-friendly technological solutions but the market's concerns must be addressed and met while these solutions are put in place. This recommendation is not a standalone solution—it parallels the recommendation to establish a process flow chart and create a transparent process for business applicants. A phased approach should be considered with little to no interruption to the current delivery of products and services.

- Single Access Point. Businesses should be able to login to one online system for all relevant activities
- Content Syndication. The portal should prevent businesses from having to duplicate information for each agency
- User-friendly. The online services should be convenient, intuitive and easy to use
- Customer-focused. The system should be designed to anticipate customer needs and provide timely e-services
- Single Payment System. Businesses should be able to conduct multiple transactions across multiple agencies
- Document Repository. Businesses should be able to upload requisite documents
- Electronic Signature. Businesses should be able to sign documents electronically
- Proactive Communication. The system should be proactive to remind businesses of renewal dates, upcoming deadlines, changes in legislation that may affect their business, and procurement opportunities
- Virtual Mailbox. An official government platform where individuals and businesses can receive all government related correspondence electronically as opposed to hard copies
- Scheduling. Businesses should be able to schedule inspections and other appointments
- Security. The District will need to enhance security protocols and improve the IT infrastructure
- Additional Resources. The portal should also contain news, events, updates, government assistance, industry specific information and guidance, resources, how to guides, toolkits, publications, FAQs, etc.

BEST PRACTICE: Many jurisdictions across the world are leveraging the power of websites to create a one-stop information and transaction resource for conducting regulatory-related business. Best practices include providing online step-by-step guides that are customized to the customer's specific regulatory needs. Customers receive an online checklist with the requirements for completing regulatory processes, and customers can upload all of the necessary documentation once to a central information repository. All government agencies can access customer data via a central system rather than requiring customers to repeatedly provide the same information to multiple agencies.

Best practice websites allow customers to complete their transactions online from application to issuance. Payments are accepted digitally, and customers have access to the most up to date status on the progress of their transaction.

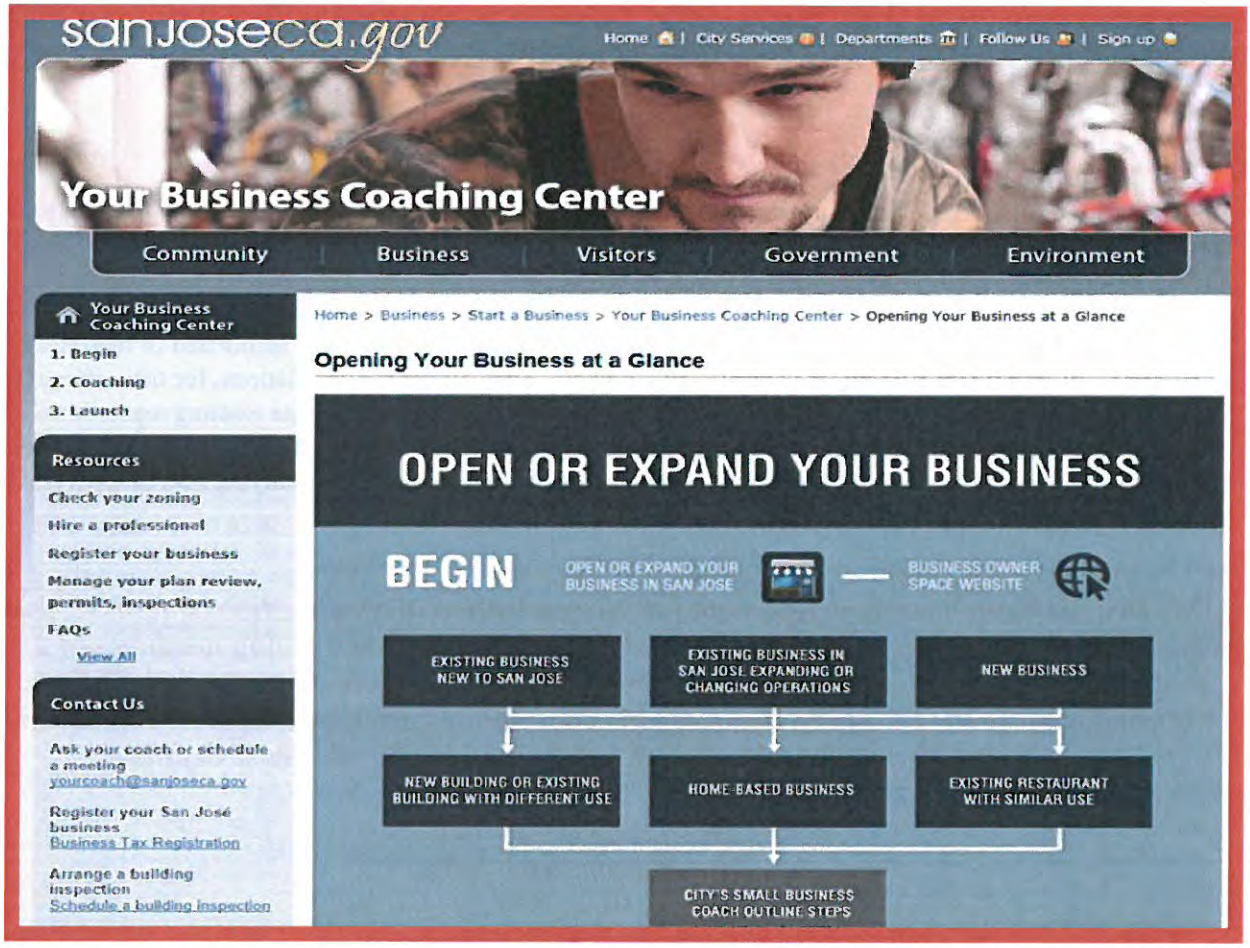

FIGURE 4-4: : SAN JOSE, CALIFORNIA'S WEBSITE PROVIDES USERS WITH A VISUAL PROCESS MAP THAT DEPICTS THE STEPS REQUIRED TO OBTAIN A BUSINESS LICENSE. (Source:www.sanjoseca.gov)

While the increase in online services available has been appreciated, it's still confusing for a new or re-organizing small business to go through the licensing process through a combination of online and in-person transactions.

My business partner just went through the process of applying to register an LLC of her own, and kept going back and forth between DCRA and OTR because she didn't know if she needed her tax ID first, or her LLC registration. Each office's online resources seemed to point toward the other.

– Small Business Owner, Washington, D.C.

14. **Recommendation:** Acquire hand held field equipment and software to improve DCRA's ability to review plans and report on inspections, in real time, from the field. Technology available today could streamline all applications, plan reviews and inspections. This investment would create conditions that will improve the performance of staff and the overall operation of DCRA, and employees should be afforded every opportunity to enhance their job performance with new innovative technologies.

Legislation

15. **Recommendation:** Update District agency rules and regulations with new processes that apply to all District service providers and processes which reflect the realities of the competitive marketplace and efficient use of District resources.

16. **Recommendation:** Conduct a thorough review of the regulations that agencies are authorized or required to administer and (a) prepare a listing of current regulations; (b) evaluate current regulations, for their effectiveness in providing guidance on processes, procedures and interpretation of laws; (c) update existing regulations to reflect current needs, policies, and procedures, and note areas legislative action is required to correct problems; (d) review administrative interpretations; and (e) review application forms, accompanying instructions, and other documents to ensure their consistency with regulations.

The District has a license requirement [7B] for operation of construction equipment with 25 horsepower (HP). This has been expanded to cover plugged-in welding machines of 25 HP, scaffolding and other construction equipment far beyond the equipment cited. Enforcement is handed off to the DC Police Department. The citations are issued against the individual operating the equipment, even if not covered by the 7B license definition.

Projects come to a halt.
The citations are costly.

This major enforcement started several years ago [from] an outdated, confusing license requirement that has been stretched to cover equipment never intended to be required.
This license requirement needs major changes.
The Alliance for Construction Excellence (ACE)

– Small Business Owner, Washington, D.C.

Short-Term Action Item(s):

- Prepare a comprehensive list of existing regulations administered by DCRA and evaluate them to determine (a) if each continues to be necessary (b) if it is current with existing law, policy and procedures, and (c) if the substance of the regulations provide useful guidance as to interpretation and administration of the law for which the regulations have been promulgated

- Implement an administrative process for periodic review of regulations to confirm the currency and clarity (which already happens with regard to the Construction Codes)

- Where possible/practical require that each inspection violation or plan review comment include a citation to the applicable Construction Codes provision

Long-Term Action(s):

- Develop a listing of current laws requiring regulations that have not been promulgated, and develop text and proposed amendments to existing laws that would be necessary to permit current regulations to be amended to reflect current policy and practice

- Develop a standard organizational format for DCRA regulations so that DCRA staff and any end-user can readily identify within the regulations provisions related to defined terms, administrative procedures, and interpretive provisions

- Track various types of permit issuances and actions, such as linking a permit issued to an inspection conducted to a certificate of occupancy issued. Presently, there is insufficient connectivity between many of the DCRA actions

- Explore fixed, flat fee or alternative fee options for setting building permit fees, and for less common but newly emerging permit types such as parks, water towers, green roofs and solar panels

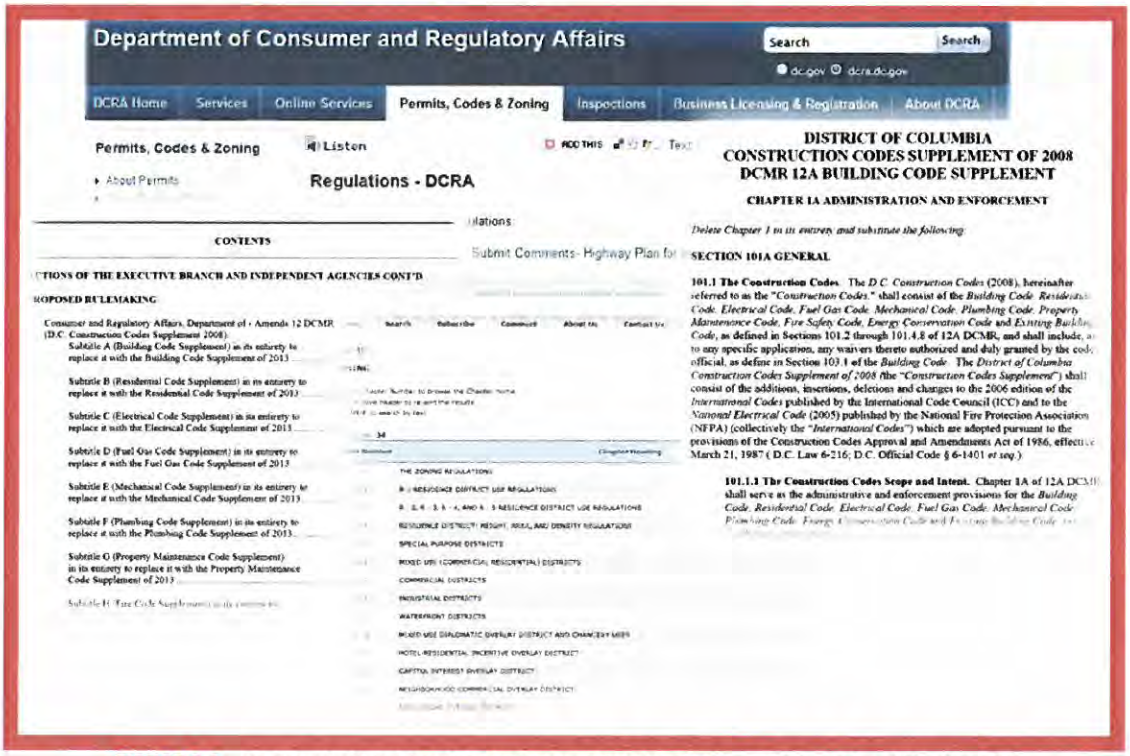

FIGURE 4-5 : DCRA's CURRENT REGULATIONS DATE AS FAR BACK AS 1989

5

SUMMARY

SUMMARY

The collective efforts of the Business Regulatory Task Force bolsters the District of Columbia's drive for economic development and overall improvement in the District's business regulatory environment. Mayor Gray has established a precedent for entrepreneurship and sustained business growth—and has thereby charged the Task Force with examining the current regulatory process for inefficiencies and potential barriers to success. The Task Force strategically researched and analyzed the current regulatory process and determined that there are significant endeavors that the District should undertake to expand on its current regulatory accomplishments.

This report embodies the comprehensive analysis of a group of the District's senior executives, professionals and technical experts from the District's various economic growth sectors and from various business industries. Recommendations and subsequent action items listed in this report provide the current District Administration and future Administrations with a blueprint for an efficient and streamlined business regulatory process. The District's continued successful business environment relies heavily on continued inter-agency collaboration with a shared commitment for success and a "One City" approach.

Acknowledgements

Presenters – Public Sector (Non-Task Force Members)

The Honorable Mayor Vincent C. Gray
Presentation by David Margalit, Senior Advisor, Office of the Mayor, City of New York
Overview of Permitting Process - Rabbiah Sabbakhan, Chief Building Official, DCRA
Overview of Licensing Process - Eric M. Rogers, Administrator, Business and Professional Licensing Administration, DCRA
Gerry Widdicombe, Executive Director of the DC Tax Revision Commission

Presenters – Private Sector (Non-Task Force Members)

Presentation on Perspectives on Regulatory Reform in the District of Columbia by Susan Jones, Professor of Clinical Law, Director, Small Business & Community Economic Development Clinic, George Washington University Law School Jacob Burns Community
Presentation by DC BID Council on regulatory issues businesses face

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Mayor Vincent C. Gray
District of Columbia