
Government of the District of Columbia



Department of Consumer and Regulatory Affairs

Testimony of

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***FISCAL YEAR 2011 AGENCY PERFORMANCE
PUBLIC OVERSIGHT HEARING***

Council of the District of Columbia
Committee on Public Services and Consumer Affairs
Yvette Alexander, Chair

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Room 412
John A. Wilson Building
1350 Pennsylvania Avenue, NW
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1:00 P.M.

Good afternoon, Chairperson Alexander, members, and staff of the Committee on Public Services and Consumer Affairs. I am Nicholas Majett, Acting Director of the Department of Consumer and Regulatory Affairs. I'm here today to testify on DCRA's performance during Fiscal Year 2010 and thus far in Fiscal Year 2011.

DCRA's mission is to protect the health, safety, economic interests, and quality of life of residents, businesses, and visitors in the District of Columbia. We do this by issuing business licenses and building permits; conducting inspections; enforcing building, housing, and safety codes; and regulating land use and development.

Our most critical challenge in meeting our mission is to balance strong enforcement with excellent customer service. As a regulatory agency, this dynamic is not unique to DCRA.

As Acting Director, my highest priority is to make DCRA responsive to all our customers and stakeholders. We must meld customer service and business efficiencies into the complex regulatory frameworks we work with on a daily basis. We also must simplify our processes and requirements, eliminate redundancies and inefficiencies, and make our services accessible in as many places and in as many ways as possible. And we must constantly aim to streamline processes, make extensive use of technology, and provide excellent customer service.

Now I'd like to give you a brief overview of our accomplishments over the past year and our plans for the coming year.

A. Business Licensing

DCRA licenses more than 30,000 businesses in more than 150 different categories. Nearly half of all business license categories can be renewed online,

which saves customers time and effort. As we move our licensing computer systems onto the Accela and CPMS systems, we will be increasing the license categories that can be renewed online and will continue to expand our online content.

Currently, we are looking at ways to simplify the process for those license categories requiring a building inspection before the issuance of a license. Our goal is to make it faster and easier for customers to be in compliance with the licensing laws. One possible way to accomplish this, for example, would be to allow owners of one- and two-family housing rentals to “self-certify” through a detailed checklist that their rental units meet existing housing and building codes. We would then be able to immediately issue the owners their rental housing business license, conditioned upon a subsequent successful inspection. Our research shows that the vast majority of such units pass their initial inspection. We’re also looking at a similar “self-certification” program for existing restaurants to renew their business licenses.

Small Business Resource Center

On March 1, we did a “soft launch” opening of our Small Business Resource Center. The Center will provide training and consultation services to customers seeking to navigate the District’s regulatory environment on licensing, corporate registration, and permitting. To make the Center a success, we’ve partnered with the D.C. Small Business Development Center at the D.C. Chamber of Commerce Foundation, the D.C. Women’s Business Center, and the Latino Economic Development Corporation. Business entrepreneurs can visit the Center’s website at dcra.ecenterdirect.com and follow it on Twitter @dcsmallbizctr.

We are also working on overhauling many of our business license regulations. We recognize that, particularly in these economic times, businesses

need regulations that reflect modern realities and practices, not what existed several decades ago when the regulations were written. Our goal is to simplify many of the regulations and eliminate outdated provisions that neither reflect industry practice nor benefit consumers. In reviewing several license categories, such as tour guides, rental housing providers, and general contractors, we've actively sought the input of industry stakeholders.

Vending regulations

I have no doubt, Chairperson Alexander, that you and other committee members have heard a great deal from the street vendor business community regarding our proposed vending regulations.

Since we published the proposed regulations in the D.C. Register last May, we've received some 2,500 public comments. This is the largest number of comments we have ever received on a proposed rulemaking and, we believe, one of the largest that any District agency has ever received. Every single comment we received is published on our website – something we had never done before and that very few other agencies have done.

Over the past several months, we have looked at best practices from other jurisdictions and we have had numerous discussions and meetings regarding the proposed regulations with vendors, business representatives, and community groups. As a result, and in order to be as transparent as possible, we've taken the unprecedented step of posting on our website a redlined, working draft of the revised regulations. We continue to receive input from various stakeholders – as well as the general public – and look forward to publishing revised proposed regulations in the coming months.

New Corporations Law

At the end of the last Council Period, the Council passed a bill to completely replace Title 19 of the D.C. Official Code with a new corporations law. The new law will place the District squarely at the forefront of modern corporate laws. I must note, however, that the law was passed subject to appropriations, and no funds have yet been allocated to implement the act.

B. Construction/Permits

Whether a person is replacing a window, adding on to their home, upgrading the electrical or plumbing in their condo unit, or building a multi-story mixed use development, they need to apply for a building permit and ensure compliance with the D.C. Construction Codes. We continuously seek to streamline the multi-agency review process, as we are very aware that in this economic climate, time spent standing in line in our Permit Center translates into money wasted at the construction site. To expedite the review process, we are researching the feasibility of self-certification for certain types of building plans and expanding the capabilities of our one-stop permit center.

One of my first actions after being appointed Acting Director was to combine the previously separate lines of authority between the Permits and Inspections divisions. Both divisions will now report to the Chief Building Official. This change provides a clear chain of command and finality on issues of Construction Codes interpretation.

Greening the Codes

One of our major projects this year is the 2011 Amendments to the D.C. Construction Codes. In February 2009, the Mayor established the Construction Codes Coordinating Board whose mission is to promulgate the 2010 edition of the

Codes. The Board meets on at least a monthly basis and its 13 subcommittees have met multiple times each month. Each meeting is open to the public and their dates and agendas are posted on our website. The Board's goal is to finish the revisions to the proposed Codes this spring. With the adoption of these Codes, the District, for the first time in recent memory, will be aligned with the International Codes Council (ICC) Codes revision cycle; previously we had been one or two cycles behind. I should note that the ICC Codes are the model building codes adopted by the District and many other jurisdictions.

As the Board reviews the various changes to be made to the Codes, one of its key objectives will be seeking to make the District's building codes some of the greenest in the nation. We are awaiting final release of the International Green Code and the ASHRAE 189.1 standard and will be carefully reviewed by the Board to determine which elements should be incorporated into the District's Codes. For the past year, we've been working very closely with building and construction industry stakeholders and environmental groups to make the District's Codes a national model for other jurisdictions.

Project Dox & IVR System

Last year, we launched two major technological upgrades within our Permits Division. The first, Project Dox, is software that will allow sister agencies involved in the permit review process to concurrently review electronically submitted plans. As of July 1, customers can submit their plans electronically in a wide range of digital design formats. The plans are then sent to our sister agency plan reviewers, so that each can review the plans at the same time, rather than waiting for the plans to be physically delivered to them, reviewed, and then physically delivered to the next agency. Any changes to the plan are made electronically, thereby allowing the customer to see each agency's specific changes or comments.

Last summer, we also rolled out a new interactive voice response inspections system that gives building contractors 24/7 access to inspections scheduling and inspections results via their phone or PDA.

Cutting review timeframes and increasing productivity

We're also working on several other processes to better serve customers. We've expanded the parameters for use of EZ Permits, which can be submitted online and printed at home. The adoption of our IT system, Accela, by other agencies, and better tracking of permit reviews by discipline and reviewer, has helped reduce the timeframes for complex plan reviews.

Currently, we are researching ways of simplifying the permit application submission process by allowing individuals to self-certify that their plans meet all applicable building requirements. This would greatly speed up the process, particularly for smaller projects undertaken by homeowners and small businesses.

C. Inspections

DCRA's critical mission is ensuring the safety of residential buildings and rental units. We enforce the District's housing and building codes requiring property owners to maintain their rental properties in safe and habitable condition. To meet this mission, we have focused significant time and resources on the inspection process, outreach to housing and tenant advocates, and the increased professionalization of our inspections division.

Because of the importance of the inspections program to both DCRA's mission and the safety of District residents – as well as the lack of qualified District residents who can meet the job requirements – we will be establishing a career ladder for the inspectors beginning at the journeyman level. As inspectors

pass International Codes Council (ICC) examinations, they will be promoted within the inspections division.

And because of the importance of developing the next generation of inspectors, DCRA is partnering with Phelps Vocational High School to offer agency internships so that students are exposed to the building and construction fields. Through this program, we hope to encourage District high school students to pursue careers in these industries through practical experience with the agency.

Proactive inspections program

Perhaps one of our most successful and far-reaching initiatives has been the proactive rental housing inspections program. Under this program, DCRA inspectors will inspect each residential rental building with three or more units regardless of whether we've received any housing code complaints from tenants. By proactively inspecting rental properties, we will be able to identify and rectify any housing code violations before they become a danger to the health or safety of tenants.

In the past fiscal year, the program inspected 1,750 units in 565 buildings. Our goal is to have inspected every rental building with three or more units in the District by the end of FY 2013. We regularly update our website with all the proactive inspections information in order to make it easily accessible to tenants, housing advocates, and property owners.

Collaboration with housing advocates

In the past year, we have continued our collaboration with housing advocates. We host regular meetings with representatives from groups such as the Latino Economic Development Corporation, the Washington Legal Clinic for the Homeless, the D.C. Children's Law Center, and Bread for the City. This

partnership allowed us to create a form that housing advocates can provide to tenants which authorizes us to release to the advocates any citations issued to the tenants' landlord.

D. Vacant and blighted property

In the wake of the Council's re-establishment of vacant and blighted property tax rates, DCRA has established procedures for the identification and designation of such buildings, as well as an appeals process.

We currently have identified 2,991 vacant buildings in the District. Of that, 1,217 have been processed for the first half of the 2011 tax year. As a result, on March 2, we transmitted to the Office of Tax and Revenue a list of 421 vacant buildings for Class 3 classification at the \$5 property tax rate. We also transmitted a list of 346 blighted vacant buildings for Class 4 classification at the \$10 property tax rate. An additional 450 buildings were designated as vacant, but qualified for an exemption from the Class 3 tax rate. The remaining 1,774 identified vacant buildings are either not yet up for renewal or their registration is pending. I should emphasize that the vacant property tax rate applies only to buildings, and not to vacant lots.

In the coming months, we will be reviewing all exempt properties to ensure the owners are maintaining the grounds for the exemption. We are also putting all the vacant and blighted property information on our website and asking for local community assistance in identifying additional properties. Partnering with the community will have a significant multiplier effect on our efforts at putting vacant buildings back into productive use.

E. Customer service and outreach

We understand that regardless of all the great things that we do, unless we provide high-quality service to our customers, it's all for naught. A customer won't care about all our new technology or processes if they're treated poorly, unprofessionally, or in an untimely manner. To help ensure a high level of service, we've greatly expanded our customer focus sphere into new media technologies, such as Facebook and Twitter. We have been lauded for our extensive use of new online media and will keep expanding into this new frontier.

One very popular customer service feature is our Permit Intake Validation System (PIVS). This system allows the public to obtain information on property ownership, its zoning, building permits, and business licenses issued to the property address. PIVS's popularity with the public, ANC commissioners, and the news media is due to it making all our information available online for free.

But while we have made significant strides in email and online communication, nothing replaces face-to-face conversations. Our staff has held more than 150 community outreach events, including several workshops showcasing energy-saving projects homeowners can do to lower their utilities bills. We have distributed more than 10,000 fliers in all eight wards highlighting the housing code regulations, including heating requirements and how to report violations.

It is my desire to continue moving this agency in the right direction and to ensure that DCRA is providing the highest level of service to our customers. To further that, I have reached out to ANCs and community groups throughout the District and sought their assistance in partnering with us to better serve our constituents. This outreach and collaboration will continue as long as I am at the agency.

Chairperson Alexander, thank you for the opportunity to report on DCRA's accomplishments and its plans for the coming fiscal year. My staff and I would be happy to answer any questions you may have.