Agency Performance Public Oversight Hearing

Testimony of
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Director
Department of Consumer and Regulatory Affairs

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

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9:00 a.m.

Via Virtual Platform
Good morning, Chairman Mendelson, Councilmembers, and staff. I am Ernest Chrappah, the Director of the Department of Consumer and Regulatory Affairs (DCRA). I am here this morning to share the many accomplishments and ongoing activities of the agency in fiscal year 2021 and fiscal year 2022, to date.

**Introduction**

Mayor Bowser has set an ambitious agenda for a more responsive and accountable government in the District, and I am proud to be leading an agency that strives to live up to that aspiration. I would like to take this opportunity to recognize the progress we’ve made and thank the employees of our agency for their hard work, as well as the residents and community leaders who have given us good suggestions on how to improve. DCRA is tasked with very important responsibilities, including serving residents and businesses in the areas of consumer protection, business licensing and regulation, and building permitting and enforcement. As a regulatory agency, the nature of our enforcement work can sometimes create tension or unhappy customers because we must stop someone from building their dream home, for example, due to the fact that it may cause damage to an adjoining neighbor’s property. DCRA’s duty, however, is to the public at large; not to any specific individual. Due to improvements we’ve made, there is a reason why so many of our customers are satisfied. Since many of these people cannot be present to testify at today’s hearing, technology has allowed me to bring these perspectives to you. At this time, I would like to play a brief video that is representative of what our customers are saying.

**[PLAY VIDEO]**

**DCRA Exceeded All Key Performance Indicator (KPI) Metrics in FY 2021**

Turning now to our Key Performance Indicators, which are essentially measurements for how successfully we deliver our core services, I am proud to report that for the second year in a row DCRA exceeded the targets for all its 19 KPIs. In FY 2021, we served nearly 400,000 customers,
and our customers have spoken. Of 52,099 responses that we have received, 44,284 of those responses have given us a positive rating. This means 86 percent of our customers either rated their experience as excellent (69 percent) or satisfactory (17 percent). This is quite an achievement when you consider the complex nature of our work and the fact that it is nearly impossible to achieve a 100 percent satisfaction rating. In all measures, the agency exceeded its targets at a faster rate including resolving issues with customers, issuing business license renewals, clearing consumer protection cases, and completing inspections.

Looking now to specific KPIs, DCRA reviewed 98.6 percent of all non-accelerated permits within 30 business days of acceptance in FY 2021, which well exceeded our target of 90 percent. Another KPI I would like to highlight is the percentage of Basic Business License, Corporation, and Office of Professional Licensing transactions that are conducted online. We conducted 87.4 percent of these licensing and registration transactions online, which exceeded our target of 80 percent. Finally, I am pleased to report that our Consumer Protection Unit, which received complaints relating to the Covid-19 pandemic throughout FY 2021, closed its cases within 30 days from the date of complaint submission 95.2 percent of the time, which exceeded our target of 85 percent.

KPIs are not only a way to measure the agency’s alignment with its strategic priorities. They are also an efficient way to quantify the hard work that all DCRA staff put into providing excellent customer service throughout the year. Across the board, the agency demonstrated a strong performance for FY 2021, and that is indicative of the positive changes we have made. As for our KPI metrics for FY 2022, we will continue to use the same 19 metrics that we have used in previous years. Overall, we are on track for meeting our benchmarks in FY 2022, and I look forward to continuing to share these successes with you.

**Guiding Agency Principles**

I would like to share with you several principles that are constant reminders of how the
agency must perform in order to deliver on its mission. First, DCRA has embraced a customer-centric philosophy in which customers are prioritized in all agency actions and policies. Given the needs of District residents and businesses, serving customers in the best way possible means that DCRA is fulfilling its mission. Next, as the pandemic has shown all of us, it is critical to remain responsive to the rapidly changing needs of District businesses, as the future can be uncertain for them and we must understand how to work around ever-changing constraints. Finally, we must emphasize the importance of collaboration with our District government partners. DCRA is developing partnerships with our sister agencies, such as when we guide displaced persons in unsafe housing conditions to the Office of the Tenant Advocate or work with the Office and Tax and Revenue to make sure that properties are taxed at the correct rate. These are just some examples of the principles that will continue to guide our agency in the current fiscal year.

**Strategic Initiatives from FY 2021 into FY 2022**

I would now like to highlight some of the strategic initiatives that DCRA completed in FY 2021. First, DCRA sought to modernize its abatement-tracking database by capturing abatements at the violation level and streamlining how abatements are documented between pre-inspection and post-inspection. Some initiatives we used to increase abatement activities and modernize the agency’s ability to track abatements include hosting online housing summits, updating the agency’s records to better capture abatement activities, and communicating with housing providers who have pending cases at the Office of Administrative Hearings to offer incentives for abatements of housing violations. In FY 2021, DCRA verified abatement of housing code violations in more than 2,500 properties, a 9 percent increase compared to FY 2020 and the highest annual volume the agency has on its record.

This ties in with a FY 2022 strategic initiative, which is to support affordable housing through code enforcement and abatement tracking. Mayor Bowser has demonstrated a commitment to
creating tens of thousands of new homes, including affordable housing units, by year 2025. To support this goal, DCRA is working to preserve existing housing stock through targeted enforcement against landlords with high volumes of unaddressed housing code violations, as well as supporting successful issuance of affording housing-related permit applications. We will continue to measure success by tracking increases in housing abatements and publishing quarterly information on affordable housing-related permits issued by DCRA.

So far, in the first quarter of FY 2022, DCRA identified 15 property owners with a high volume of unabated housing violations and began developing enforcement and outreach strategies to get property owners into compliance. DCRA’s inspection and enforcement efforts have also contributed to 364 abatements throughout the city.

One example is 305 37th Street, SE, #102. A tenant had complained of unsafe conditions, including broken smoke detectors in the unit. A case was opened on August 3, 2021. DCRA went out to inspect the property and on August 6, 2021, a NOI was issued to the property owner. A re-inspection was performed by DCRA to determine if the violations were abated, and since they were not, DCRA abated the conditions by installing smoke detectors in the hallway and bedrooms. The case was ultimately closed on December 7, 2021, and a special assessment for $1,333 has been charged to the property owner.

DCRA has also identified a list of potential unlicensed rental units in the District and will be reaching out to property owners to ensure they obtain the necessary business license and inspection. Furthermore, DCRA has issued 75 construction permits in Quarter 1 of FY 2022 that will increase D.C.’s affordable housing stock.

Another strategic initiative that was completed in FY 2021 relates to improvements in Consumer Protection Unit (CPU) operations. DCRA has enhanced its current case management system in order to assign specific cases to investigators with subject matter expertise. DCRA has
also created digital templates and tools to allow easier cases to be resolved in an expeditious manner, paving the way for investigators to spend more time working on novel or complex cases. In FY 2021, the agency developed a Statement of Work for a new case management system that will be launched in FY 2022. In fact, implementing the new CPU case management system is a FY 2022 strategic initiative.

In FY 2022, when the system launches, some of its new features will include proactive identification of consumer complaint trends, automated risk-based assignment of cases, and caseload balancing based on complexity of cases. As with all of DCRA’s goals and initiatives, this will result in better allocation of resources, a faster investigatory timeline, and speedier resolutions for our customers.

Other FY 2022 Strategic Initiatives

Next, I would like to highlight other DCRA strategic initiatives that are underway for FY 2022, and how they tie into Mayor Bowser’s broader goals. First, DCRA is excited about advancing climate change mitigation and adaption through development of the Construction Codes. This is part of Mayor Bowser’s Clean Energy DC plan to cut greenhouse gas emissions in half by 2032 and to create a carbon neutral city by 2050, partly by establishing highly efficient and zero emission new buildings. To support the Mayor’s goals, in FY 2021 DCRA initiated the process of drafting the DC Energy Conservation Code and solicited the first round of public comments. In FY 2022, the Construction Codes Coordinating Board, through DCRA, will publish a proposed rulemaking and solicit another round of public comments.

Next, the Mayor has prioritized relief for small business owners through fee reductions and cutting other barriers to obtaining a business license in the District. With significant business closures during the pandemic, many business owners are trying to restart their business while others are looking to go into business for themselves. To support these entrepreneurs while adding
economic growth and recovery, DCRA has created a Fast Track Permitting, Licensing, and Inspection Team to accelerate approvals for business licensing and permits. Additionally, DCRA will implement fee reductions and develop a more flexible and cost-efficient business licensing model to accommodate seasonal and temporary businesses that only operate a few months each year.

**Enhancing the Well-Being of DCRA Employees**

DCRA is committed to empowering staff members through technology training and regular opportunities for dialogue and feedback. As more of DCRA’s work moves to the digital realm, the agency will continue to foster a culture of tangible staff development by providing employees with additional support and training in technology readiness.

In FY22, all DCRA employees will take three trainings in (1) digital communication, (2) data analysis, and (3) change management. DCRA has started planning team building activities around these training courses, which will be held in second and third quarters of FY 2022. Moreover, the agency will host quarterly town halls to increase employee engagement through open, two-way communication where employees will be able to comment and ask questions to my leadership team and me about recent and upcoming issues of concern. Thus far, in first quarter of FY 2022, DCRA held an Employee Appreciation and Awards event and an All-Staff Town Hall meeting that provided employees with an opportunity to virtually interact with me and ask questions on a variety of topics.

**DCRA’s Improved Suite of Digital Tools**

One of the achievements of the past year that I am most proud of relates to DCRA’s improved suite of digital tools. This is something that we know our customers care about. Under the leadership of Mayor Bowser, DCRA has launched several new technological applications that have made the DCRA customer journey seamless for many of the services the agency offers. Some of the new products that empower customers and improve their experience include an online marketplace for construction inspections, an inspection-on-demand system, an innovative and easier-to-use
permitting application, and other measures that will shorten the plan review time. I am proud of how these platforms have replaced prior, often complex processes and better inform customers as to what is required when they undertake a project. The agency is continually setting out to find ways to make applying for permits more user-friendly and intuitive so that customers will not need to know the permit types before applying.

The suite of new products innovates and revolutionizes how government services are provided to customers to serve them better, easier, and faster. Notably, DCRA was selected as a finalist this year in two categories at the Business Transformation and Operational Excellence World Summit and Industry Awards (BTOES): “Best Achievement in Operational Excellence to Deliver Digital Transformation” and “Most Outstanding Digital Transformation Workplace Program.” I am proud to note that our agency won the award in the latter category, which shows that we are a leader across several jurisdictions and private sector companies when it comes to technology innovations with measurable benefits for residents and businesses.

Conclusion

Chairman Mendelson and members of the Council, thank you for the opportunity to testify. With that, I am happy to address any questions you may have.