
Government of the District of Columbia



Department of Consumer and Regulatory Affairs

Testimony of

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***FISCAL YEAR 2012 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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John A. Wilson Building
1350 Pennsylvania Avenue, NW
Washington, D.C. 20004

Good afternoon, Chairperson Alexander, members, and staff of the Committee on Public Services and Consumer Affairs. I am Nicholas Majett, Director of the Department of Consumer and Regulatory Affairs. I'm here today to testify on DCRA's performance during Fiscal Year 2011 and thus far in Fiscal Year 2012.

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 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. Last month, we launched the Online Business License Submission

System which allows nine categories of business license customers to apply for and received their business licenses online. We plan to expand the license categories with the eventual goal of all license categories being available for online application submission and review. Additionally, almost half of all business license categories can be renewed online.

I believe that in order to truly make the District a more business-friendly environment, we must do all that we can to simplify the process for applying and receiving a business license with the goal of eliminating entirely the need for customers to have to spend any time in our office waiting in line. We will be focusing particularly on allowing customers to review the applicable license regulations and self-certify that they meet all the requirements. This will greatly speed up the license review and issuance process and allow entrepreneurs to start their business, rather than staring at regulations.

Small Business Resource Center

It has been almost one year since Mayor Gray hosted the ribbon cutting to open our Small Business Resource Center, which is also online at dcra.ecenterdirect.com. The Center allows customers to schedule an appointment and get one-on-one training and consultation services on how to successfully navigate through the District's business regulatory environment. Last month, we broadened the Center's effectiveness by bringing in our Permits Center staff to also review customers' needs for construction related to them opening their business. We are very excited about the Small Business Resource Center and want to maximize its potential in helping to spur economic development in the District, particularly in keeping with the Mayor's call to expand and diversify the District's New Economy.

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.

Vending regulations

I have no doubt, Chairperson Alexander, that you and other committee members have heard a great deal from street vendors, business associations, the public, and the media regarding our proposed vending regulations published in the January 20 edition of the D.C. Register.

In the three and a half weeks since we published the proposed regulations, we have received more than 1,400 comments from the public, reflecting the great interest in the issue. I should note that we are still accepting comments on the proposed regulations and we published a notice in Friday's D.C. Register to extend the comment period until March 1. When we previously published proposed regulations in June 2010, we received more than 2,500 public comments, which was 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 have received is published on our website – something very few other agencies do.

Since publishing the proposed regulations in June 2010, we spent months looking at best practices from other jurisdictions and had numerous discussions and meetings 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 redline of the proposed regulations showing all

changes made from the June 2010 version. After the close of the comment period, we will review all submitted comments and meet once again with the various stakeholders. Our goal is to have the final regulations to the Council for a vote before the end of this calendar year.

New Corporations Law

As you know, on January 1, the District's new corporations law went into effect. This represented a monumental undertaking in replacing an entire title of the D.C. Code. Our corporations staff has been working diligently for many months to ensure a smooth, seamless transition into the new corporations law, including launching a new online corporations filings website that allows all corporations to renew their corporate registration online. As we've identified ambiguities with the law, we will work with stakeholders to clarify and explain all the new requirements. The new corporations law represents a giant leap forward for the District and its business community and puts us at the forefront of all other states.

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, almost all District agencies involved in the building permit review process are located in our buildings at our One-Stop Permits Center. The most recent addition was our colleagues from D.C. Water who moved in just last month.

Greening the Codes

On February 1, Mayor Gray announced his commitment to the District adopting the new 2012 International Code Council (ICC) construction codes by mid-2013. The ICC Codes are the model building codes adopted by the District and many other jurisdictions. This bold decision means the District will leapfrog one generation of codes in order to move to the most recent, environmentally sustainable and energy efficient codes that will be applicable to all commercial and residential construction and renovation in the District.

The review and adoption of the Construction Codes will be done by the mayorally-created Construction Codes Coordinating Board. The Board meets on at least a monthly basis and its 13 subcommittees meet multiple times each month. Each meeting is open to the public and their dates and agendas are posted on our website. With the adoption of the 2012 ICC Codes, the District, for the first time in recent memory, will be fully aligned with the ICC Codes revision cycle; previously we had been one or two cycles behind.

Last month, the U.S. Green Building Council, which administers LEED certification standards, announced that the District had a total of 880 LEED certified and registered projects. When compared to states, this means the District has the 16th most LEED projects; when compared to cities, the District is second only to New York City in total LEED projects. And, I should note that New York City has a total of 898 LEED projects – only 18 more than the District. That is an extraordinary accomplishment. The combination of the recently amended Green Building Act and the adoption of new Construction Codes will keep the District in the very enviable position of being at the cutting edge of sustainable building practices.

Project Dox & IVR System

In 2010, 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. Customers can now 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.

Our customers are also making extensive use of our 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 established 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 has partnered 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 our most successful and far-reaching initiatives continues to be the proactive rental housing inspections program. Under this program, DCRA inspectors inspects 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 2,075 units in 734 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 and ANCs

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. We also attend the tenant summits organized by the Office of the Tenant Advocate, ANCs, and other community groups. These partnerships and community outreach provide us with valuable feedback on how our rental housing initiatives are working and identify areas needing improvement.

D. Vacant and blighted property

After the Council created the vacant and blighted property tax rates, DCRA established procedures for the identification and designation of such buildings, as well as an appeals process. With two consecutive years of the vacant property tax law remaining unchanged, residents and property owners now have consistency on the law's requirements and our processes.

Next month, we will transmit to the Office of Tax and Revenue the list of vacant buildings for Class 3 classification at the \$5 property tax rate and the list of blighted vacant buildings for Class 4 classification at the \$10 property tax rate. I

should emphasize that the vacant property tax rate applies only to buildings, and not to vacant lots.

We continue to review all exempt properties to ensure the owners are maintaining the grounds for the exemption. We also have all the vacant and blighted property information on our website, including as downloadable Excel spreadsheets. We always seek local community assistance in identifying additional properties because partnering with the community has 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. In the growing social media frontier, we have one of the most popular and well-regarded District agency Twitter accounts and we will continue to expand into this new environment of engaging with our customers.

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.

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 held several ANC open houses at our offices, regularly attend ANC and community group meetings throughout the District, and regularly seek to

partner with them 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 our plans for the coming fiscal year. My staff and I would be happy to answer any questions you may have.