



DBI Report

Budget & Appropriations Committee

Christine Gasparac, Assistant Director

April 17, 2024

Department of Building Inspection

- The Department of Building Inspection (DBI) oversees the effective, efficient, fair and safe enforcement of the City and County of San Francisco's Building, Housing, Plumbing, Electrical, and Mechanical Codes, along with the Disability Access Regulations.
- DBI's Housing Inspection Services division enforces the housing code and enforces habitability standards in residential properties.
- Since 2010, DBI has managed programs in which community-based organizations assist in code enforcement outreach and maintaining habitability in Single Room Occupancy (SRO) buildings.

CBO Grants

Code Enforcement Outreach Program

- Housing Rights Committee of SF
- Causa Justa
- Chinatown Community Development Center
- Tenderloin Housing Clinic
- San Francisco Apartment Association

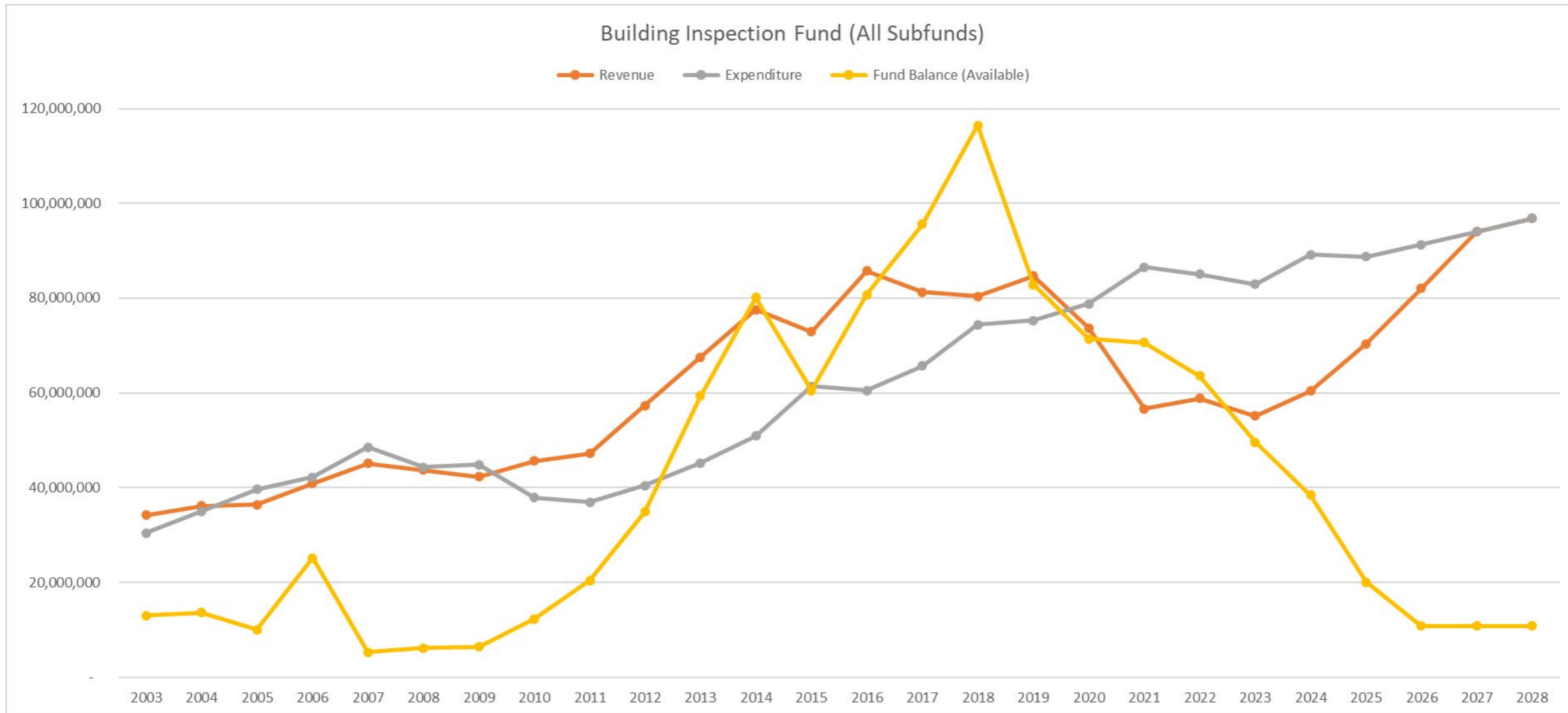
SRO Program

- Tenderloin Housing Clinic/Central City SRO Collaborative
- Chinatown Community Development Center/Chinatown SRO Collaborative
- Dolores Street Community Services/Mission SRO Collaborative
- Chinatown Community Development Center/SRO Families United Collaborative

DBI Budget and Fees

- DBI is an enterprise department and its operating budget is almost entirely funded by fees related to permits and inspections.
- The majority of DBI's FY 2023-24 \$81.3M operating budget is non-discretionary: 72% labor and 23% other overhead.
- DBI may impose user and regulatory fees for services and activities we provide through provisions set forth in the State Constitution, Article XIII C § 1.
- Under this legal framework, a fee may not exceed the reasonable cost of providing service. Any charge that exceeds cost is a tax and must be approved by the voters, with some exceptions.

Financial History and Projection



Fee History

- A fee study completed in 2008 established the current fee structure.
- A fee study completed in 2015 resulted in a 7% reduction in most fees.
- In fiscal year 2023-24, all DBI fees were raised by 15%, effective August 28, 2023.
- DBI engaged a consultant to produce a new study that was published in January 2024, which recommended raising most fees by an average of 40%.

Fee Study

- The fee study analyzed the cost to DBI for providing services. Charging the maximum allowed for each fee (full cost recovery) would result in some significant increases.
- The Controller and DBI staff recommended phasing in the fee increases over a 3-year period to avoid discouraging development and to support economic recovery.

CBO Grants – FY25 Funding Overview

- DBI's February budget submission includes General Fund support to continue funding the CBO grant budget in FY25 and FY26.
- DBI's FY25 and FY26 CBO grant proposed budget is \$4,290,000 per year
 - Reflects budget instructions mandating a 10% general fund support reduction
 - Results in about a \$500K reduction, which maintains funding based on actual spending levels in FY22 and FY23 (CBOs left \$500K-\$600K unspent in each year)

CBO Grants

- Controller currently auditing the program and will be making recommendations later in the year.
- General fund support for these programs ensures consistency regardless of the pace of economic recovery.



THANK YOU