

10. Port Building Inspection Issues

- **Procedures for processing building permit applications are inadequate. The current procedures consist of a two- and one-quarter page document that covers intake of building permit applications, distribution of applications and plans for review, and penalties for performing work without a permit, but does not cover such important subjects as required inspections, processing permit appeals, or pre-application plan reviews. Thus, the clarity provided by written procedures, and administrative bulletins that stem from those procedures, are not available to users of the Building Inspection section's services.**
- **The Port stores building permits and related plans, specifications, etc., in cardboard box files in the Agricultural Building. Unless an interested party knows the permit numbers associated with a property, the only means of obtaining the permit history of the property is to manually search the record that lists the contents of each cardboard box. In other words, an electronic database that cross references a property location with all of the permits and related documents recorded on the property does not exist. By developing a permit history database, the Port can make historical records accessible to users to assist in project planning and plan reviews.**
- **The State Government Code sections known as the California Permit Streamlining Act require that development project applications be reviewed by the permit agency and their completeness determined within 30 days of submission. Once determined complete, processing and a decision on applications that do not require an environmental impact report are required to be processed within 60 days. The Port often takes more than 30 days for the initial review for completeness, which is in violation of the Permit Streamlining Act and which does not provide the level of service imposed by the State. By filling two authorized but vacant positions, the Port can better serve its clients and comply with the California Permit Streamlining Act.**

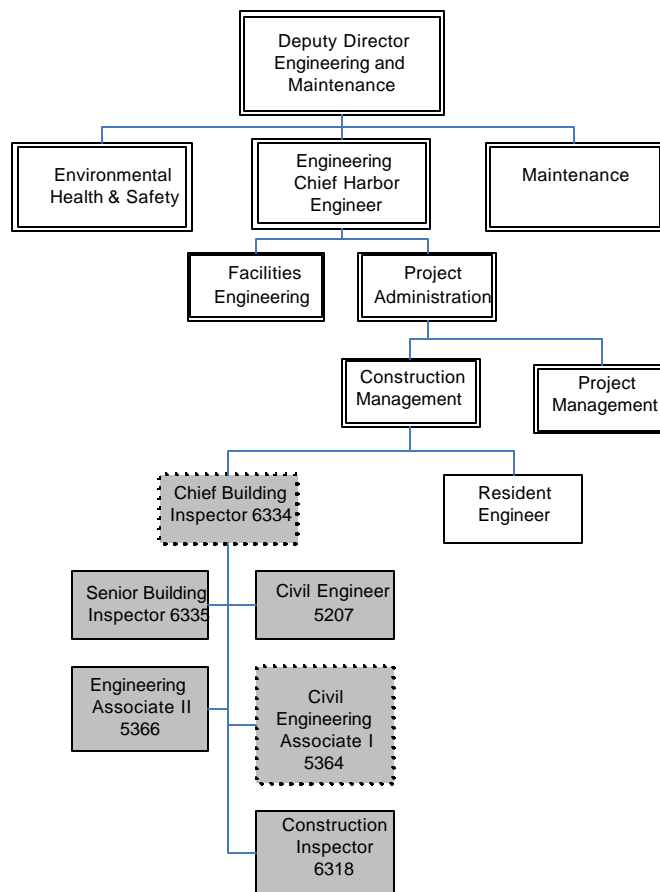
- **Section 106.2 of the California Building Code, *Work Exempt from Permit*, specifies those construction activities that may be undertaken without first obtaining a building permit. The exempted activities pertain to nonstructural work such as fences not over six feet high and painting, papering, and similar finish work. The Port, which has not adopted the State Codes with Port amendments thereto, is required to comply with the State exemption provisions. However, the Port does not require building and building-related permits for work performed by the Port Maintenance Division or by contractors engaged by the Engineering Division, whether the work is exempted from permit by the California State Codes or not. By not verifying that work performed is in accordance with building and building-related codes, the Port is increasing the probability that the work is not performed in accordance with such codes.**
- **A wide range of construction standards are applied to the Port's facilities. Independent of code compliance, the wide range of standards indicates that the Port as a property manager has also not set clear and consistent standards to occupants of Port facilities. An example of such a range of construction standards is seen in the extreme variation of tenant construction in Pier 33, where some tenant office and work facilities are constructed of plywood boxes while others are well designed and constructed. In the Pier 33 tenant facilities that we visited, minimum code requirements that would apply to commercial construction in San Francisco were generally not met, including such basic elements as stair construction, general framing, exit door and locks, seismic bracing of nonstructural elements, and fire-resistive construction.**
- **The Budget Analyst recommends that the Port take the following actions: 1) develop a comprehensive set of procedures; 2) develop an adequate permit history database system; 3) in conformance with State law, ensure that the Maintenance Division and contractors engaged by the Engineering Division obtain required permits prior to commencing work; 4) fill the authorized but vacant Chief Building Inspector and Civil Engineering Associate I positions.**

Building Permit Organization

At the initiation of this management audit and continuing until March of 2004, the Port's Building Inspection section, which is authorized six staff positions, but which has only four staffpersons assigned, reported directly to the Senior Engineer in charge of Construction Management and up through the chain-of-command to the Deputy Director of the Engineering and Maintenance Division.

Exhibit 10.1

Organizational Chart Building Inspection Section



Currently, the Chief Building Inspector and the Civil Engineering Associate I positions are vacant.

In March of 2004, the Building Inspection section was reassigned to report directly to the Chief Harbor Engineer, which from an organizational independence standpoint is an improvement over the previous organizational position of the Building Inspection section.

Building Inspection Procedures

The policies and procedures available to the Building Inspection section for standardizing processes and providing guidance in performing permit application processing, plan reviews, site inspections, and other functions, are inadequate. The current procedures consist of a two- and one-quarter page document that covers intake of building permit applications, distribution of applications and plans for review, and penalties for performing work without a permit, but does not cover such important subjects as required inspections, processing permit appeals, or pre-application plan reviews. Thus, the guidance provided by a well-written policies and procedures manual and the clarity and predictability afforded permit applicants by such a manual, is inadequate.

As is the case with the Engineering and Maintenance Divisions, which are also deficient in policies and procedures manuals, there is assistance available in other City departments in developing a good policies and procedures manual. Furthermore, completing the manual should not be accomplished in a hasty manner to satisfy an audit recommendation, but should be accomplished in a manner that incorporates the best practices of the building inspection profession and that adds value to the work of the Building Inspection section.

Inadequate Permit History Retrieval and Storage

A property's permit history is a record of all permits recorded against the property and includes plans, calculations, and specifications. Port staff, client, and prospective clients often require the permit history of a property for reasons such as making repairs, planning renovations, or deciding on a lease location. The Port's system for retrieving building permit histories is completely inadequate.

The Port stores building permits and related plans, specifications, etc., in cardboard box files in the Agricultural Building located south of the Ferry Building. Unless an interested party knows the permit numbers associated with a property, the only means of obtaining the permit history of a property is to manually search the record that lists the contents of each cardboard box. In other words, an electronic database that cross references a property location with all of the permits and related documents recorded on the property does not exist.

The City and County of San Francisco has an extensive permit history file that is accessible in the Department of Building Inspection offices and on the internet. A user can access the permit history of a property simply by inputting the address or the block and lot numbers of the property. Furthermore, the City microfilms all of its permit

activity and microfilm copies are retained at the Department of Building and off-site in Tahoe City for disaster recovery purposes. However, as previously stated, the Port does not have an electronic database, nor does the Port microfilm permits and permit-related documents.

By developing a permit history database, the Port can make historical records accessible to users to assist in project planning and plan reviews. By microfilming or scanning its document files and securing a copy of those files off-site, the Port would retain permit histories in the case of fire or other disaster.

California Permit Streamlining Act

The State Government Code sections known as the California Permit Streamlining Act require that development project applications be reviewed by the permit enforcing agency and their completeness determined within 30 days of submission. Once determined complete, processing and a decision on applications that do not require an environmental impact report are required to be processed within 60 days. The Port often takes more than 30 days for the initial review for completeness, which is in violation of the Permit Streamlining Act and which does not provide the level of service required by the State. By filling two authorized but vacant positions, a classification 6334, Chief Building Inspector, and a classification 5364, Civil Engineering Associate I, the Port can better serve its clients and meet the requirements of the California Permit Streamlining Act.

Work Performed without Required Permits

Section 106.2 of the California Building Code, *Work Exempt from Permit*, specifies those construction activities that may be undertaken without first obtaining a building permit. The exempted activities pertain to nonstructural work such as fences not over six feet high and painting, papering, and similar finish work.

The Port, which has not adopted the State Codes with Port amendments thereto, is required to comply with the State's listed exemptions. However, the Port does not require building and building-related permits for work performed by the Port Maintenance Division or by contractors engaged by the Engineering Division, whether the work is exempted from permit by the California State Codes or not. By not verifying that work performed is in accordance with building and building-related codes, the Port is foregoing a legally mandated responsibility to enforce controls on non-exempted construction activities.

Building Inspection Revenues and Expenditures

Section 66014 of the California State Government Code requires that fees collected for building permits, building inspections, etc., may not exceed the estimated reasonable cost of providing the service.

The Port of San Francisco, which uses the City's fee schedules for building inspection services, had revenues from providing such services for FY 1998-1999 through March 23, 2004, as shown in Table 10.1 below.

Table 10.1

Building Inspection Revenues¹

Fiscal Year	Revenues
FY 1998-99	\$532,784
FY 1999-00	400,687
FY 2000-01	875,467
FY 2001-02	455,754
FY 2002-03	553,015
FY 2003-04	1,132,585

Costs of providing building inspection and related services are not accumulated by the Port. The Building Inspection section is not currently a separate cost center within the Port's accounting structure and costs for engineers and planners who provide plan review services on a part-time basis are not captured. What is known is that the level of building permit services does not meet the State mandated time requirements, that building inspections are not being performed on construction-type activities that are not exempt from the California State Building Code, that an electronic permit history database does not exist, and that the permits, plans, and related building documents of Port users are stored in the Agricultural Building in cardboard boxes, without backup.

Based on the foregoing, the Budget Analyst recommends that the Port develop a plan to address the deficiencies in its building permit and building inspection services and present that plan to the Board of Supervisors.

Condition of Port Facilities

The Budget Analyst conducted a walkthrough of Pier 9 and Pier 33 with two representatives of the Department of Building Inspection in order to obtain a general assessment of the Port facilities. The Port's Acting Chief Building Inspector was unable to participate in the walkthrough because of a scheduling conflict.

Based on the walkthrough and observations of many other Port facilities, it is obvious that a wide range of construction standards are applied to Port facilities. Independent of code compliance, the wide range of standards indicates that the Port is either not communicating or enforcing clear and consistent standards to occupants of Port facilities. An example of such a range of construction standards is seen in the extreme variation of

¹ The FY 2003-2004 revenue sum is through March 23, 2004, and includes a \$463,559 fee paid by the Municipal Railway for building permit and inspection services related to the construction of its Southeast Light Rail Maintenance Facility.

tenant construction in Pier 33, where some tenant office and work facilities are constructed of plywood boxes while others are well designed and constructed.

Minimum code standards are not met in many tenant facilities. In the tenant facilities we observed, minimum code requirements that would apply to commercial construction in San Francisco were generally not met, including such basic elements as stair construction, general framing, exit door and locks seismic bracing of nonstructural elements, and fire-resistive construction.

The lack of disabled access at these Port facilities is a serious problem. The code requirements for access were not fully met in any facility, and were entirely missing in most areas. This is a significant problem, as addressing these code requirements is a citywide priority, and, potentially a significant legal liability. Not all facilities must fully comply with disabled access requirements; however, the most basic requirements for areas of new construction or remodel, the path of travel to such areas of remodel, and the bathrooms and parking serving such areas of remodel must either comply or be granted properly issued unreasonable hardship exceptions.

The buildings (pier sheds) visited showed serious signs of dilapidation and improper maintenance, such as collapsing walkways, leaking roofs, and localized structural distress. Under the normal code enforcement rules of the building code, the property owner is always ultimately responsible for the maintenance of a building – in this case, the Port is ultimately responsible, regardless of any lease agreements. Some of these conditions create serious and imminent hazardous conditions, such as deteriorated walkways with holes in the decking.

Fences and buildings blocked certain areas that appear to serve as required exits, such as pier walkways and aprons. Two tenants told us that the Port actually rents the space on the pier walkway for permanent tenant use.

The range of building code violations in Port property is extensive. Some of these code violations involve life/safety issues, including inadequate and blocked fire exiting. The Executive Director should assign the task of compiling a list of the most egregious life/safety violations to one of the Deputy Directors who would then lead an interdepartmental team then develop a plan for abating those violations beginning with the most serious.

Conclusion

Procedures for processing building permit applications are inadequate. The current procedures consist of a two- and one-quarter page document that covers intake of building permit applications, distribution of applications and plans for review, and penalties for performing work without a permit, but does not cover such important subjects as required inspections, processing permit appeals, or pre-application plan reviews.

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Recommendations

The Building Inspection section should:

- 10.1 Develop a policies and procedures manual for performing its building inspection services.
- 10.2 Develop an adequate permit history system.
- 10.3 Implement an efficient and economical means of microfilming the Port's current and future permit and permit-related holdings.

The Executive Director should:

- 10.4 In conformance with State law, ensure that all non-exempt construction and repair work performed on Port property is performed in accordance with required permits and inspections.
- 10.5 Fill the authorized but vacant classification 6334, Chief Building Inspector, and classification 5364, Civil Engineering Associate I, positions.
- 10.6 Appoint an interdepartmental team to identify, prioritize, and develop a plan for abating the significant safety violations and assign responsibility for implementing and coordinating the interdepartmental team to one of the Division Directors.
- 10.7 Develop a plan to address the building permit and inspection deficiencies noted in this section and present that plan to the Board of Supervisors.

Costs and Benefits

Implementing the above listed recommendations would provide improved code enforcement, significantly reducing liability to the Port, and improved service to the clients of the Building Inspection section. The recommendation to inspect all construction, repairs, enlargements, etc., in accordance with State regulations would provide legal protection to the Port. Costs to the Port for implementing the recommendations cannot be accurately determined at this time, and to a large degree, depend on the extent of the inspection exemptions that the Port would allow. The cost of microfilming the Port's current permits and permit-related holdings cannot be accurately determined at this time. Reliable estimates of such costs should be available from consulting with the Department of Building Inspection and with vendors who perform microfilming and scanning services.