

2023 Budget Statement to the City Council Committee on the Budget and Government Operations
October 11, 2022
Matthew Beaudet, Commissioner

Good (morning/afternoon) Chairman Dowell, Vice Chair Silverstein and members of the City Council. I am pleased to be here today to discuss the 2023 budget request for the Department of Buildings. I am grateful for the opportunity to work in partnership with Mayor Lightfoot and the members of the City Council to support economic development in all 77 Chicago communities, and to help ensure building safety for residents and visitors through the administration of the Chicago Construction Codes.

We remain proud to provide uninterrupted continuity of services during these unprecedented and challenging times. Our staff did not miss a beat and we continue to offer both in-person and remote and alternative processes for permitting, inspections, and trade licensing.

Through August, we have issued a total of 26,147 building permits representing \$23,403,331 in fees, which is a \$3.4M increase over last year. By year's end, we expect to issue approximately 40,000 permits. Despite COVID, economic development continues throughout Chicago, and we continue processing and issuing permits in a timely manner.

I am also proud to report that the communities that experienced a 10% or greater growth in plan-based permits are all concentrated on our South and West sides. Cranes, a key indicator of community investment, that were once concentrated in a few communities are now spread over 16 communities and in 2023 under Mayor Lightfoot's Invest South-West will grow to 19 communities including Auburn-Gresham, Englewood, and Austin.

We also remain busy on our inspection side and have completed over 150,000 inspections. This includes over 30,000 inspections from community members via 311. We continue to value our partnership with the community and Alderpersons who are our invaluable eyes and ears on the ground.

To further protect public safety and quality of life, we work with Alderpersons, city departments, and the community to identify, secure and in some cases, demolish vacant buildings that can serve as hubs for criminal activity. Through August, we have demolished 164 buildings and have boarded up and secured 1,071 additional properties. Also, a total of 2,027 vacant buildings were registered and/or renewed totaling \$581,000 in fees collected.

Our Strategic Task Force also works closely with CPD and Law to enforce the Drug and Gang House Ordinance and the Responsible Establishment Safe Neighborhood initiative, which targets troubled buildings and businesses. We also continue to take action against bad contractors that prey on homeowners and businesses.

Over the past decade, we have implemented reforms that make it more equitable and cost-effective to build and easier to obtain permits through a streamlined, more user-friendly process. DOB continues to work with AIS on a multi-year effort to migrate from outdated systems used to support permitting and inspection functions to the IPS 11 platform used by other similar departments. This initiative will eliminate DOB's remaining paper-based permitting and payment processes, reducing the time to permit while providing enhanced public data.

The new Chicago Building Code has been in effect for two years now. With rising construction costs and a dire need for more affordable housing and neighborhood commercial investment, the new code's flexibility and expanded options for equitable and cost-effective construction are more important than ever. As promised, our new code modernization program enables us to take advantage of code cycle updates that incorporate the latest innovations and processes. The program is a vital tool allowing people to renovate and remain in their homes, spur new economic development, maintain and grow our affordable housing stock, and also create real equitable reinvestment in historically disinvested communities.

In 2019, the Council adopted the then-new Energy Conservation Code and just last month the Council adopted the new Energy Transformation Code which requires that new buildings are constructed in alignment with stronger energy efficiency and electrification standards to lower our building emissions and energy consumption. By being among the first to adopt the latest Energy Code, the city, and more importantly our residents and small business, will be first in line to apply for federal funding under the Inflation Reduction Act. Modernizing our codes on a regular and timely cycle not only saves residents and small businesses money but also opens up opportunities for federal funding, grants, and rebates.

The multi-year process to modernize our codes continues through internal review of requirements for, mechanical (ventilation/refrigeration), plumbing, and hazardous occupancies. As with other code updates, we will collaborate with industry partners and the community to develop consensus-based codes for Council consideration in 2023 and subsequent years. And I wish to re-stress that we are making equity a keystone in all of our code modernization efforts to ensure that we have codes that work and provide options and flexibility for all 77 communities.

As we head into the colder months, we will enforce the Chicago Heat Ordinance. During times of extreme cold, our inspectors will be out every day including weekends. We will continue to work with the Department of Law to expedite legal action in Circuit Court if necessary. We also work closely with DFSS to assist tenants when the heat cannot be immediately restored and temporary relocation is required. Also, we must adapt our operations as we continue to encounter extreme climate change. We were grateful to work with the Council on the recently enacted ordinance that now requires 55+ senior buildings and other large residential buildings to provide cooling centers during extreme heat events.

We are also committed to working with Mayor Lightfoot and the City Council on the city-wide effort to promote access and equity in the construction industry for women and people of color. The Associated General Contractors of America reported that the Chicago area continues to be among the nation's leaders in construction job growth with 8,100 new jobs while other major areas like New York City, Atlanta, and Austin all continue to suffer a decline in construction jobs. It is imperative that we not only continue this growth but that the growth be equitable. As the son of a Native American electrician, I can attest that a good paying career in the trades is not just a paycheck but a generational blessing.

In 2023, DOB remains committed to bringing commonsense solutions to the challenges facing our City, and we will do what we can, through innovation and streamlining, to move construction projects and equitable residential and commercial economic investment forward in all communities while, at the same time, protecting building safety, and the safety of the neighborhoods that our residents call home.