

# Joint Task Force on Regulatory Reform

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City of  
**Philadelphia**  
Department of Labor



City of  
**Philadelphia**  
Office of the Mayor

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## *Final Report of the Joint Task Force on Regulatory Reform for the Department of Licenses and Inspections*

### **REPORT TO**

**THE HONORABLE CHERELLE L. PARKER  
MAYOR-ELECT OF THE CITY OF PHILADELPHIA**

**&**

**THE HONORABLE PRESIDENT OF THE COUNCIL OF THE CITY  
OF PHILADELPHIA**

**December 19, 2023**

## **Task Force Composition**

### Members

Basil L. Merenda, Esq., Chair  
Ben Connors  
Tim Crowther, Enforcement Subcommittee, Chair  
Bobby Davis  
Lynne Fox  
April Gigetts, Retention and Recruitment Subcommittee, Chair  
Joe Lockley  
Sarah Stevenson  
Jim Reilley  
Mo Rushdy, Mission Scope and Funding Subcommittee, Chair  
Don Sweeten, Training Subcommittee, Chair

### Proxies

Erin Harvard-Dwyer (Ben Connors)  
Bob Wolper (Lynne Fox)  
Gabe Li (April Gigetts)  
Michael Campbell (Joe Lockley)  
Dan Sullivan (Jim Reilley)

### The Following Rendered Significant Support to the Task Force

Mike Driscoll, Councilmember  
Tom Forkin, Esq.  
Jacob Golden, Executive Director  
Kira Halma  
Tyler Honschke  
Riley Stover  
Commissioner Ralph DiPietro  
Sarah Adamo  
John Lech  
Elizabeth Baldwin, P.E.  
Brett Martin  
Kirk McClarren  
Joe Spinks  
Rachel Meadows

Michael Zaccagni  
Janine LaBletta  
Frances Beckley, Esq.  
Marco Muniz, Esq.  
Hank Clinton, Esq.  
Natalie Klyashtorny, Esq.  
Harry Cook, Esq.  
Paul Toner, Esq.  
Alex Goldberg, Esq.  
Gerard M. Waites, Esq.  
Abby Schottenfels  
Joe Berk, Esq.

# EXECUTIVE SUMMARY

**December 19, 2023**

As the Director of the City of Philadelphia's Department of Labor, I, Basil L. Merenda, have had the honor, privilege, and pleasure of serving as the Chair of the Joint Task Force on Regulatory Reform for the Department of Licenses and Inspections (L&I). Therefore, on behalf of my fellow Task Force members, as required by the June 22, 2023 Resolution No. 230534, I present the report of findings and recommendations of the Task Force to the incoming Mayor and City Council President.

Our scope of authority, as specified by the Resolution, was to consider reforms to Title 4 and Title 9 of the Philadelphia Code and its enforcement by the Department of Licenses and Inspections, as well as any other departmental changes aimed at improving interdepartmental cooperation to ensure safe and code compliant building construction, regulate the construction employment environment, and protect the health, safety, and well-being for all the workers, residents and businesses in the City of Philadelphia.

Faced with this critical challenge, we identified a straightforward three-part goal for the Task Force which would be constructive, forward-looking, and insightful. Those three goals were as follows: 1) Build upon the successes of the Kenney Administration at L&I; 2) Address any remaining issues and concerns at L&I that we as a Task Force have identified; 3) Provide the next administration with a blueprint to facilitate the ability of the Department of Licenses and Inspections to fulfill its chartered mission.

To meet the Resolution's December 31, 2023 reporting deadline, the Task Force decided to embrace this aggressive six-month timeline by focusing on broad areas of concern at L&I. With these time constraints in mind, the Task Force identified high-level themes to analyze L&I's regulatory framework. We therefore decided on four areas of concern which are as follows: mission, scope, and funding; retention and recruitment; training; and enforcement.

Thereafter, the Task Force utilized a subcommittee structure to do its work, gather facts, and identify issues and concerns. We established four separate subcommittees. Each subcommittee corresponds to one of the four areas of concern that we identified at L&I.

In turn, we asked one Task Force member to chair each subcommittee. Task Force member Mo Rushdy chaired the Mission, Scope, and Funding Subcommittee. April Gidgetts chaired the Retention and Recruitment Subcommittee. Don Sweeten chaired the Training Subcommittee, and Tim Crowther chaired the Enforcement Subcommittee.

With this format in place, we conducted three rounds of subcommittee meetings over two months. This enabled the Task Force to meet with various L&I stakeholder groups. As a follow-up, the subcommittee chairs made reports to the whole Task Force on three different occasions.

The individuals and groups that the subcommittee met represented a cross-section of the L&I's stakeholders. It provided the Task Force with a substantial working overview of L&I's day-to-day operations. It included meetings with the L&I Commissioner, Ralph DiPietro, and his senior staff, as well as conferences with L&I inspectors who are on the frontlines of code enforcement. We even met with attorneys representing contractors, homeowners, and developers in L&I code enforcement matters to hear their points of view.

In addition, we sat down with representatives from the City's Commerce Department to learn about its role in business licensing and to hear about their interaction with L&I. Most interestingly, the City's Director of Human Resources, Michael Zaccagni, and his team came before the entire Task Force as part of a Committee of the Whole. He identified the difficulties in retaining and recruiting L&I's workforce and how L&I's workforce demands were a part of the larger challenges across all City departments.

Moreover, the Task Force allocated time to review and discuss L&I's eClipse system which serves as its database and online application processing system for permit and licensing applications. At the time of its adoption, eClipse constituted a huge change in L&I's processing system which permitted contractors to apply online for permits and licenses and L&I inspectors to enter inspection results.

The Task Force concluded its sessions with a presentation from a nationally recognized construction code attorney, Gerard M. Waites, who, over the years, had offered amendments that were adopted into Philadelphia's construction code. He pointed out that there are many very effective provisions already in the Philadelphia code and the only thing that needs to be done is to enforce those provisions across the board after an amnesty period so that contractors throughout the City know what will be expected of them going forward.

Upon completion of this review process, the subcommittee chairs and their members identified the major concerns and issues in their respective areas. The chairs then outlined recommendations for building on the good things L&I is doing and what can be done to effectively address the issues and concerns that arose from the Task Force's work, investigation, and review.

We, as a Task Force, submit that our recommendations are reasonable, intriguing, battle-tested, and practical. As you drill down on our report, you will see that the Task Force has

provided a well-reasoned discussion describing the issues and concerns we identified as well as explaining the recommendations we present to you for consideration.

In summary, you will see that the Mission, Scope, and Funding Subcommittee found that L&I is burdened by its ever-increasing day-to-day enforcement responsibilities. In alignment with the top recommendation from the report released in the wake of the 22nd and Market Street building collapse, the Task Force believes that to address the “mission creep” of L&I, it is now time to seriously consider dividing it into multiple separate departments. Furthermore, City Council must cease piling new and oftentimes questionable enforcement responsibilities on L&I.

Also, as you will see, the Retention and Recruitment Subcommittee is convinced that L&I’s greatest asset is its workforce of inspectors and administrators, but they need support across the board to make the very important public safety nature of their job at L&I more gratifying and career-oriented.

This will mean appropriate adjustments in pay scales and benefits, workload improvements, and perhaps even residency waivers. The Task Force notes that these recommendations are all designed to enhance overall workplace morale which the Task Force found needs to be addressed at L&I.

The Task Force found that a critical overlap in retention and recruitment and staff morale is the need for a vigorous training program. Indeed, the Task Force’s Training Subcommittee found that L&I must reassess its training protocols and curriculum to make it more formal. As a result, the Training Subcommittee recommends that going forward, L&I create a Deputy Commissioner for Training, as part of an *L&I Training Academy*, similar to the training academies for the Philadelphia Police and Fire Departments. After all, like police and fire, L&I’s mission is to ensure public safety for all Philadelphia residents and visitors.

The Enforcement Subcommittee calls for steps to be taken to make L&I more responsive to construction site complaints. On this point, the Enforcement Subcommittee wants to see better collaboration with 311, the Revenue Department, and the Commerce Department to eliminate government silos, along with initiating more vigorous code enforcement of contractors that are not code compliant, not properly licensed, not meeting their tax obligations, and who are deliberately misclassifying workers on construction work sites as prohibited across the Commonwealth by state law.<sup>1</sup>

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<sup>1</sup> The PA Construction Workplace Misclassification Act (Act 72), 43 P.S. Sections 933.1-933.17, vests the PA Attorney General concurrent authority with PA District Attorneys to criminally prosecute intentional misclassification of employees as independent contractors on construction projects. It should be further noted that on December 11, 2023 the PA House passed HB 1751 amending Act 72 to strengthen and improve its reach of illegal worker misclassification throughout the Commonwealth of Pennsylvania which included several recommendations from the December 2022 final I report of the PA Joint Task Force on Misclassification of Employees under Act 85 of 2020.

This can be accomplished through improvements in staffing and funding of the *Audits and Investigation Unit* (AIU) established under Mayor Kenney to investigate and shut down serial code violators. Most notably, to keep the momentum going and to ensure that these changes continue, the Enforcement Subcommittee would like to see the establishment of an L&I Advisory Working Group which will consist of all the relevant parties associated with Philadelphia construction projects.

Because it recognizes that its recommendations are ambitious and varied, the Task Force views these changes over three timeframes. Some recommendations that build upon the good work underway in the Department are achievable within 100 days. They will bring immediate and tangible benefits to the Department. This includes fully appointing the Licenses and Inspections Review Board and the Board of Building Standards.

Other recommendations will be achievable within one year of coming into office. Steps to fully staff AIU within one year will allow the City to vigorously stop prolific violators from putting residents in harm's way. Also, a Deputy Commissioner of Training should be established and appointed within one year.

Finally, some recommendations will take longer than a year and should be targeted and achieved within the Mayor's four-year term in office. This includes changing the scope and structure of the Department and establishing an *L&I Training Academy*. We believe that over one term all recommendations in this report can be well on their way to fruition.

As a Task Force, we can proudly say that we did our job. We built on what was already working at L&I. We thought outside the box to address the issues and concerns that we identified in this process and we did it in a collegial, consensus-building, and respectful manner. Our mission was accomplished. We have, indeed, produced a "blueprint" for the historic Parker Administration which we firmly believe will take L&I to the next level and will make a significant difference for all the Philadelphians.

So, on a personal note, I would like to thank our Task Force members for their service, professionalism, and great ideas. It was indeed my pleasure to work with April, Ben, Tim, Bobby, Lynne, Joe, Sarah, Jim, Mo, Don, and their proxies: Bob, Gabe, Dan, Mike, and Erin. We completed our duties with distinction.

A handwritten signature in cursive script that reads "Basil L. Merenda".

Basil L. Merenda, Esq.

**Chair of the Joint Task Force on Regulatory Reform**

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# CHAPTER 1

## Introduction

### Why the Task Force Was Formed

The Joint Task Force on Regulatory Reform was created by City Council and the Mayor under the leadership of Councilmember Mike Driscoll who serves as Chair of the City Council Standing Committee on Licenses and Inspections. After serving as Chair for nearly a year, Councilmember Driscoll heard concerns about the effectiveness of the Department of Licenses and Inspections from many stakeholders both within and from outside of city government. This report will cover many of those concerns. Acknowledging the changing leadership in both City Council and the Office of the Mayor, Councilmember Driscoll saw an opportunity to recommend real reform to the incoming administrations. This Task Force is the mechanism to accomplish that goal.

### Resolution 230534

Philadelphia Councilmember Mike Driscoll introduced Resolution 230534 on June 15, 2023. The following week, on June 22, 2023, the City Council unanimously passed the Resolution. A copy of the Resolution can be found in *Exhibit A* in the appendix of the report.

# CHAPTER 2




## Headline Findings

### Priorities






Together, Task Force members identified concerns about the Department of Licenses and Inspections. These concerns were broken into four primary areas including mission, scope, and funding; training; retention and recruitment; and enforcement. These four areas were investigated by their respective subcommittees. The headline findings and recommendations can be found immediately below. A deeper discussion of these four areas can be found in chapters four through seven of this report.

### Headline Findings and Recommendations

#### Mission, Scope, and Funding








1. The core mission of the Department of Licenses and Inspections is building safety and compliance. The Department has three general areas of scope including business regulation and compliance, quality-of-life enforcement, and building safety and compliance as laid out by the City Charter.
-  2. The scope of work within the Department of Licenses and Inspections should be separated into multiple departments, new or existing, to better distribute responsibilities into entities whose mission it most closely aligns with. All necessary steps to change the City Code and Charter should be taken.
-  3. City Council must cease passing legislation intended to be enforced by the Department of Licenses and Inspections that does not align with its core mission. Legislation must be enforced by a department whose core mission it pertains to.
4. The Department of Licenses and Inspections generates over \$87 million in revenue for the City that is returned to the General Fund.
-  5. A larger share of revenue generated by the Department of Licenses and Inspections should be retained by the Department to effectuate the recommendations of the Joint Task Force on Regulatory Reform.

#### Retention and Recruitment








-  1. Acknowledge and address retention issues tied to the work environment.<sup>2</sup>
-  2. Hire more staff to alleviate the overwhelming workload.
-  3. Allow field building inspectors to start their day at home to enter data, answer and send emails, and return phone calls.
-  4. Establish a career ladder for AFSCME DC33 and AFSCME DC47-represented job classifications within the Building Safety Division.
-  5. Remove degree requirements that impede rank-and-file staff from promotional opportunities into upper management.

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<sup>2</sup> See *Exhibit E* in the appendix of the report

-  6. Research pay scale, benefits, and workload comparable to suburban counties.
-  7. Adopt residency waiver for engineer job classification pursuant to approval by the Civil Service Commission.<sup>3</sup>
-  8. Increase both Department of Licenses and Inspections human resources staff, and staff within the Office of Human Resources to minimize delays in onboarding.
-  9. Add targeted hiring bonuses.
-  10. Extend recommendations made in the City Council Special Committee on Retention and Recruitment of Municipal Workers report to the Department of Licenses and Inspections.
-  11. Prioritize succession planning to create the eligible list timely.
-  12. Promote any established work-life balance options in job listings.

### **Training**





-  1. Make Training a Division within the Department of Licenses and Inspections.
-  2. Secure a dedicated training space for the *L&I Training Academy*.
-  3. Create a position of Deputy Commissioner of Training to handle all training-related tasks.
-  4. Partner with the Community College of Philadelphia or external trade associations to assist with recruitment.
-  5. Partner with existing skilled trade training centers to develop a curriculum to assist in educating inspectors on various industries and systems.
-  6. Create “quick reference guides” for the various areas under the Department of Licenses and Inspections jurisdiction.
-  7. Partner with the Office of Innovation and Technology to create virtual contractor-training requirements for new licenses and continuing education for license renewals to ensure licensed contractors are knowledgeable on any updates to the Code or changes in Departmental policy and practices.

### **Enforcement**

-  1. The Department must better promote the path that allows violators to work towards compliance by applying for required permits shortly after receiving notices of violation. Further clarification of the Board of License and Inspection Review (BLIR) appeal process should be undertaken as well.
-  2. Significantly improve the standing collaboration between L&I and 311 to create clear guidelines and processes that ensure 311 complaints are referred to the correct Licenses and Inspections sub-division promptly and on the first referral.
-  3. The incoming administration should assemble a Department of Licenses and Inspections Advisory Working Group. This group, which should be composed of all parties related to the construction industry in the City, would continue the work of this Task Force.

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<sup>3</sup> Further investigation should be conducted to determine any supplementary classifications that would benefit from waivers.

-  4. In consultation with the L&I Advisory Working Group, the incoming administration should prioritize the enhancement of the public dashboard for 311 to better facilitate the ability of the public to review the work of 311 and departments where claims are referred.
-  5. Require a minimum payment towards fine and tax repayment agreements before holds on the issuance or re-issuance of licenses, permits, and scheduling of inspections are repealed. Update notification literature to general contractors to disclose the risk of construction projects not receiving permits and final inspection if they are in noncompliance with a repayment agreement policy.<sup>4</sup> The task of determining an appropriate minimum payment should be completed by the L&I Advisory Working Group
-  6. Continue the growth of the Construction Complaint District within the Construction Inspections Unit.
-  7. Continue to pursue and prioritize highlighted pending improvement including further investments in the Audits and Inspections Unit.

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<sup>4</sup> As an example, if the City established a 50% minimum payment requirement: an entity that is on a repayment plan for \$1 million total in fines and fees to the City would be required to pay \$500,000 before being able to receive new licenses, permits, or schedule inspections.

# CHAPTER 3

## Task Force Structure and Methodology

### Structure

#### Task Force Composition

After authorization, over the summer legislative recess, Councilmember Driscoll worked in partnership with Philadelphia City Council President Darrell L. Clarke and Mayor James F. Kenney to appoint a diverse set of 11 members to fill the seats of the Joint Task Force on Regulatory Reform. Members represent the public sector, private sector, and organized labor. Their combined institutional knowledge is unparalleled.

#### Subcommittee Format

Once determining the priority areas of mission, scope, and funding; retention and recruitment; training; and enforcement, the Task Force formed subcommittees to focus on each area. Collectively, Task Force members joined each subcommittee and selected a member to chair each subcommittee.

The Mission, Scope, and Funding Subcommittee was chaired by Mo Rushdy. Members included Tim Crowther, Bobby Davis, Lynne Fox, Basil Merenda, and Sarah Stevenson. The Retention and Recruitment Subcommittee was chaired by April Gigetts. Members included Ben Connors, Bobby Davis, Basil Merenda, Sarah Stevenson, Mo Rushdy, and Don Sweeten. The Training Subcommittee was chaired by Don Sweeten. Membership included April Gigetts, Basil Merenda, Jim Reilley, and Mo Rushdy. The Enforcement Subcommittee was chaired by Tim Crowther. Members included Ben Connors, Lynne Fox, April Gigetts, Basil Merenda, Sarah Stevenson, Jim Reilley, and Don Sweeten.

Each subcommittee diligently met numerous times under the direction of their chair. Together, they produced the findings and recommendations found throughout this document. All members of the Joint Task Force on Regulatory Reform approved these findings to be presented to the incoming Mayor and City Council President.

### Methodology

It was paramount that the approved recommendations found in this document were achievable by the incoming administration and legislative body of the City of Philadelphia. With this in mind, all recommendations are believed to be achievable over three distinct timeframes. Some recommendations will be achievable within the first 100 days of the next administration. These are either currently planned improvements to the Department that should be prioritized or are things that can be done to quickly make the Department function on a higher level. The second set of recommendations will be achievable within the first year in office. These will take more work than 100-day recommendations but will set the



Department on a path for fulfilling its mission of ensuring the safe use and construction of buildings in the City. The final set of recommendations will be achievable within the Mayor-Elect's first term in office. These structural changes must not be considered lightly. It will take the combined efforts of public servants from across the City government to ensure the changes are done thoroughly and thoughtfully. Throughout this document, each recommendation will be accompanied by one of three icons to designate it as a recommendation achievable within the first 100 days, first year, or first term. By using this document as a blueprint for reform, the Joint Task Force on Regulatory Reform believes the City will be well on its way to ensuring Philadelphia is the safest, cleanest, and greenest big city in America with economic opportunity for all.

# CHAPTER 4

## Mission, Scope, and Funding

### Chartered Mission

When the Charter of the City of Philadelphia was adopted and the Department of Licenses and Inspections was created, its mission was clear. As summarized in the 2024 Five-Year Plan, “The Department of Licenses and Inspections (L&I) enforces the City’s codes for the safe and lawful construction and use of buildings.” In the time since April 17, 1951, the scope of work charged to the Department of Licenses and Inspections has expanded greatly from its mission of ensuring the safe and lawful construction and use of buildings.

### Cross-Departmental Restructuring

The scope of work for L&I has grown so vast that it was beyond the scope of the Task Force to accurately identify and assign how closely each role the Department is tasked with relates to its core mission of ensuring the buildings in the City of Philadelphia are safe. Therefore, the Task Force broke the responsibilities of L&I into three primary areas. These include business regulation and compliance, quality-of-life enforcement, and building safety and compliance.<sup>5</sup> It is often said in the corridors of City Hall that you can understand our priorities as a City by seeing where we spend our money. In Fiscal Year (FY) 2022, it appears that the Department had its priorities straight, spending over 66% of its budget on the core mission of building safety.<sup>6</sup> This three-way tension of scope of work means that business regulation and compliance, and quality-of-life enforcement are deprioritized. This, however, does not mean that building safety and compliance get the priority it needs in a Department whose core mission this is.

Seemingly every Thursday, with limited exceptions, the City Council passes a law that becomes L&I’s responsibility because there is nowhere else to assign it. This recipe for enforcement disaster has led to just that. It must end. In the race to elect our 100th Mayor, it became clear that quality-of-life problems were top of mind for residents across the City. With laws regarding quality-of-life concerns such as bed bugs, rat abatement, third party food delivery, plastic bag ban, and beyond being assigned to a department whose core mission does not align, it is not surprising that their enforcement is, in effect, deprioritized by the City.<sup>7</sup> Recognizing this tension, the Joint Task Force on Regulatory Reform recommends to the next Mayor and City Council President that stakeholders from departments and offices such as Licenses and Inspections, the Community Life Improvement Program (CLIP), Commerce, Health, the Police, Streets, and so on, are convened. Their mission should be to identify things they are tasked with that do not align with their core mission and to restructure responsibilities to an entity whose



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<sup>5</sup> Quality-of-life enforcement includes work the Department does relating to homelessness and crime.

<sup>6</sup> This calculation includes demolition-related expenses (\$14,979,111.00) but excludes administrative expenses (\$5,112,851.00).

<sup>7</sup> See bills: 190106, 210902, 210670, 190610.



mission it aligns with.<sup>8</sup> This may mean that for certain issues, such as quality-of-life, there is no department with a mission that aligns with its enforcement. In this case, the Task Force recommends bolstering and highlighting CLIP’s valuable mission and goals with increasing budget and staffing. Additionally, any new tasks assigned to a department must be met with additional resources and powers to achieve the stated aims. This may mean that additional departments must be granted the authority to enforce the Code. As stated before, this must be accompanied by commensurate resources. This process must be methodical and comprehensive. At times it will be tedious, but, if we want to treat business compliance, quality-of-life enforcement, and building safety with the priority the citizens place on them, this work must be done.

### **Maximizing a Revenue-Generating Department**

The Department of Licenses and Inspections is the second-highest revenue-generating department (in the General Fund) within the City of Philadelphia. Only the Department of Revenue brings in more for the City. In Fiscal Year 2022, the Department brought in \$87,694,368.00. Over half of this revenue (\$48,657,087.00) came from a single source, building permits. Often, concerns arise that the Department has a punitive incentive to target contractors and developers to fill the coffers of the General Fund. This too, could not be farther from the truth. As a share of revenue, Code Violations only account for just over 4% (\$3,826,982.00). In reality, the Department of Licenses and Inspections only uses the imposition (and collection) of fines as a tool of last resort to bring violators into compliance. The full breakdown of non-tax revenue (FY22) can be found in *Exhibit B* in the appendix of this report.

Currently, any revenue generated by the Department is not retained, it returns to the General Fund where legislative action is required to make appropriations. In FY22, the Department spent \$45,748,132.00.<sup>9</sup> This means that the Department of Licenses and Inspections has a revenue margin (compared to direct costs) of over 52%, an outlier among other departments within the City.



Many firms operating in the City experience cost increases due to inefficiencies within the bureaucracy. These firms would stand to increase their efficiency if L&I became more efficient. The recommendations in this report will make L&I a higher-functioning department. However, they will require funding. Marginal increases in things such as permitting and licensing fees, while costing only a few dollars more for businesses, will generate significant revenue that can be reinvested into efficiency improvements. For example, a small 2% increase in fees for building permits would generate \$973,141.74. This money could and should be

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<sup>8</sup> An example would be L&I’s enforcement of “Chapter 9-4900. Prohibition On Use Of Certain Bags By Retail Establishments”. When L&I’s mission is building safety it makes little sense for them to be tasked to enforce a single-use plastic bag ban. This group would identify this as being unaligned with L&I’s core mission and determine what entity within the City should be charged with the enforcement.

<sup>9</sup> This statistic only accounts for direct costs. It does not include the indirect costs associated with running the Department. These indirect costs include but are not limited to benefits, fuel for vehicles, and rent for office space. Any future budgetary changes must account for both direct and indirect costs. The Finance Department must be further consulted.

directly reinvested into the Department to make substantial improvements.<sup>10</sup> Most firms in the private sector will see this as a valuable investment if they see tangible improvements in services rendered by the Department. This is especially true when looking at the public-facing, customer service role of L&I. Before fee increases are considered, commitments to reinvestment must be made. The incoming Mayor and City Council President should examine tangible commitments in the 5-Year Plan, the creation of an Enterprise Fund, or other mechanisms to ensure that investments toward the Department of Licenses and Inspections core mission are made.

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<sup>10</sup> An increase in fees must be justified with an increase in costs and expenses.

# CHAPTER 5

## Retention and Recruitment

### Introduction

L&I's strongest asset is its workforce. The inspectors, engineers, plans examiners, and other staff that make up L&I bring decades of experience and institutional knowledge that is used every day to make sure that Philadelphia's residents, neighborhoods, and businesses remain safe and thriving. Losing just one staff member can translate to losing institutional skills and knowledge that have accumulated over a decade of real-life work experience. Therefore, retaining L&I's workforce is paramount to the Department's success. The Department recognizes this dynamic, in Philadelphia's FY 2024-2028 Five-Year Plan Budgeting for Racial Equity, the Department listed "retention of staff" as an internal "threat" underneath their Strength, Weakness, Opportunity, and Threat (SWOT) analysis.<sup>11</sup> The Task Force saw the solution to increasing workforce retention to be multi-pronged and composed of improving work-life balance, creating opportunity for internal promotion, and more competitive compensation. The Retention Subcommittee focused its work on identifying these problems and their related solutions.

### Retention

#### Work Life Balance



Chief among challenges to retaining employees is work-life balance. During presentations from rank-and-file staff, a common theme of concerns about the work environment came up.<sup>12</sup> This was not an environment that was historically present, and statements pointed to hopes that this would soon change. Selected quotes from former Department employees about why they left the Department are available in *Exhibit E* of the appendix. Relevant to the work environment was the staff's overwhelming workload. A December 2023 Philadelphia Inquirer article truly brought this sentiment to life by describing one inspector's workload growing from about 8 to 10 daily inspections to 25.<sup>13</sup> <sup>14</sup> When staff was prompted by Task Force members for



suggestions that would help offload the workload, hiring more staff was often pointed to as a solution to the issue.

Finally, Field Building Inspectors expressed a desire for a more flexible work set-up. Field Building Inspectors currently must report to their office in the morning, receive their work assignments for the day, depart into the field to perform work, enter data, send emails, return


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<sup>11</sup> City of Philadelphia. "Philadelphia FY 2024-2028 Five-Year Plan Budgeting for Racial Equity". <https://www.phila.gov/media/20230301185113/budgeting-for-racial-equity-FY2024.pdf>



<sup>12</sup> At the request of current and former employees who came to the Chair of the task Force, the Task Force conducted these meetings without the presence of the Department to maintain their confidentiality.

<sup>13</sup> Samantha Melamed. (2023) "A Trail of Destruction", *The Philadelphia Inquirer*. <https://www.inquirer.com/news/philadelphia/inq2/philadelphia-contractor-home-damage-accountability-20231206.html>


<sup>14</sup> In Q3 of 2023, inspectors in the Construction Inspection Unit averaged 10 inspections at 6 sites per day. This number of inspections and site visits equated to an average of 26 processes in the system - many of which are administrative in nature.

 calls, and conduct other work. This negatively impacts the efficiency of field inspectors. The Task Force recommends allowing field inspectors to start their days at home in order to perform their administrative duties.

### **Job Promotional Opportunity**

 Another piece to the retention puzzle discussed within the Task Force, was the perceived shrinking job promotion opportunity for rank-and-file members. At the center of this issue was the lack of opportunity for staff represented by American Federation State County Municipal Employees District Council 33 (AFSCME DC33) and American Federation State County Municipal Employees District Council 47 (AFSCME DC47) to receive the career development support needed to move up to higher compensation job classes within the Building Safety Division. These concerns were painted as an impediment to “selling” working at L&I in the long term to younger potential employees. A career ladder must be established. Furthermore, the Retention and Recruitment Subcommittee, found that staff represented by AFSCME DC47 have  greater barriers to move into upper management positions due to degree requirements.<sup>15</sup> These barriers should be removed. This report’s training section goes into detail outlining a more substantial career development structure, within L&I, that supports a robust career ladder for L&I employees at every level.

### **Compensation**

 One’s overall compensation is central to their likelihood to remain at their current job versus exploring other career opportunities. The Retention and Recruitment Subcommittee found that L&I is at a heightened risk of having its younger staff leave for other job opportunities. These competing opportunities can be found in similar departments in the suburban counties due to L&I’s lower direct compensation. A comparison to direct compensation in the City of Lancaster is available under *Exhibit D* in the appendix of this report. This risk is also feared to be elevated due to high workload, challenging work environment, and little opportunity for promotion within L&I. Task Force members and contributors believed that the retirement and health benefits that come from employment with the City serve as a good opportunity for overall compensation that can be made competitive with other employers. However, these benefits are less attractive to younger employees. Additionally, the issue regarding compensation was feared to be a hindrance to recruiting new L&I staff. Further investigation into comparative compensation should be undertaken by the Department.

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<sup>15</sup> The Department noted that roughly 50% of executive staff were former DC33 or DC47 staff. This is compared to all line staff being represented by these organizations.

## Recruitment

Philadelphia's construction industry, most notably in the housing sector, has boomed in recent years with a record of more than 25,000 housing units being approved in 2021.<sup>16</sup> <sup>17</sup> Departments charged with regulating flourishing industries, such as this, require the ability to scale their operations with little resistance. L&I is unfortunately challenged by their ability to recruit, train, and deploy the workforce needed for this demand. As mentioned previously, this imbalance has translated to concerns about the work environment and overburdened staff. L&I's recruitment issues are vast and varied. The City of Philadelphia having one of the most restrictive residency requirements makes hiring for certain positions, such as those in the engineer job classification difficult. In coordination with the Civil Service Commission, a residency waiver for the engineer classification, and potentially others, should be pursued. Furthermore, the Departments hiring processes are beholden to the City's sluggish hiring practices. Vacancies in the Office of Human Resources (OHR) and HR positions within the Department have led to delays with onboarding.<sup>18</sup> These positions must be filled.

Often, direct compensation for positions within the Department are less competitive on the job market compared to the suburban counties. As is being done for police departments across the country, the Department should pursue targeted hiring bonuses to incentivize applicants. This recommendation was made in the City Council Special Committee on Retention and Recruitment of Municipal Workers report. However, it, and the other recommendations, did not include L&I.<sup>19</sup> These recommendations should be extended to the Department. These concerns put the Department at a disadvantage when competing for quality job candidates.

The Retention and Recruitment Subcommittee had a discussion with OHR and the Department. It concerned the creation of the eligibility list used to extend hiring offers to applicants. It was revealed that attrition during the hiring process and anticipated attrition within the Department are not considered when determining how many employment offers to extend. Anticipated losses should be considered to maintain staffing levels as completely as possible. Lastly, the historic work-life-balance a City job provides should be marketed front and center when encouraging applications.

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<sup>16</sup> Jake Blumgart and Ryan W. Briggs. (2022). "Housing permitting cratered in 2022 after a surge last year. Here's what happened." *The Philadelphia Inquirer*.

<https://www.inquirer.com/real-estate/housing/housing-development-permits-abatement-philadelphia-decline-20221207.html>

<sup>17</sup> 2022 saw a dip back down to 3,223 new units, a level similar to every year after 2014 per data from the United States Housing and Urban Development State of the Cities Data Systems.

<sup>18</sup> Sluggish hiring processes are touched upon in Anna Orso's article in the *Philadelphia Inquirer*.

<https://www.inquirer.com/politics/philadelphia/how-philly-can-fix-short-staffing-20230705.html>

<sup>19</sup> Philadelphia City Council. (2023). "*Special Committee on Retention and Recruitment of Municipal Workers*" [Report].

<https://phila.legistar.com/LegislationDetail.aspx?ID=6188181&GUID=7F006387-BE59-4AD6-BB32-897BB9C5CB1E&Options=ID|Text|Attachments|Other|&Search=retention>

# CHAPTER 6

## Training

### Introduction

When developing a plan of action for training, the Training Subcommittee received a multitude of perspectives from within and outside of the Department. The Training Subcommittee received ample support from L&I staff, learning about the current training opportunities in place. AFSCME DC47 provided further insight into the experiences of its members during the training process. Moreover, multiple trade organizations, including Sprinkler Fitters Local 692, Operating Engineers Local 542, and IUPAT District Council 21, offered context on their implementation of training strategies and curriculum. In an extension of the Mission, Scope, and Funding recommendations, the Training Subcommittee recommends the establishment of internal structures dedicated to training within L&I. The Training Subcommittee also recommends that L&I strengthen its partnerships with outside entities and forms of assistance for training.

### Internal Structures Dedicated to Training

To ensure an efficient and effective training process, L&I should establish internal structures dedicated to the sole purpose of training its employees. The current structure of L&I can be found in *Exhibit C* in the appendix of this report. From discussions with L&I and the Retention and Recruitment Subcommittee, it is clear that providing a supportive training environment and structure for career development will help L&I employees at every level thrive. New recruits and long-term employees alike should have the opportunity to hone their skills.



Foremost, training should become a separate division within the structure of L&I. If deemed feasible, a dedicated training space should be secured for a new Training Division, acting as the basis for an *L&I Training Academy*. This would provide a location to hold classes, assist with required certifications, and conduct administrative duties associated with training. The budget necessary to meet the needs of a Training Division would be an estimated \$2.5 million annually. This number was agreed upon from discussions between trade organizations regarding their spending on training, averaging between one million to four million a year. More accurate estimates should be calculated. Councilmember Mike Driscoll's office graciously offered to assist with any necessary departmental and/or agency outreach to establish a new training facility.



The position of Deputy Commissioner of Training to handle all training-related tasks should be established and appointed within one year.<sup>20</sup> This position would report directly to the Commissioner of L&I and serve as the head of the Training Division. The individual would expand and reinforce the existing Technical Training and Development Unit which currently oversees entry-level training and continuing education to meet the needs of the Department.

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<sup>20</sup> Further investigation should be conducted to ensure that the proposed Deputy Commissioner of Training position is consistent with Civil Service regulations.

Furthermore, this position shall be filled by an individual who has direct experience with building inspections in the field. The individual should retain institutional knowledge and first-hand inspecting experience. It is recommended that they possess a minimum of five years of field experience and a robust understanding of all Departmental responsibilities.

### **Partnerships and Assistance for Training**

Similar to the Philadelphia Police and Fire Departments, the mission of L&I is to ensure public safety. However, unlike these public safety entities, L&I does not have a training academy. While different training protocols are currently in place, the Training Subcommittee believes that due to the critical nature of L&I, dedicating attention toward supporting a well-trained staff is a priority. The establishment of an *L&I Training Academy* and the formalization of training curriculum can be achieved within one term in office. Doing so would create substantial career and leadership development opportunities, supporting the career growth of L&I employees at every level, allowing employees to hone customer service skills, and assist in addressing the retention of well-trained staff. Partnerships with outside entities, and expanding training resources, will aid L&I's training efforts.

L&I should partner with the Community College of Philadelphia (CCP) and/or external trade associations to assist with recruitment. There should be a smooth transition between CCP and L&I, similar to a pre-apprenticeship program. Formalizing partnerships and recruiting members with prior knowledge on the subject will expand the pool of potential recruits for L&I. Thus, the Department should develop an internal or external program geared towards educating candidates before graduation and obtaining some pre-graduation certifications. Some certifications could be completed within the CCP classroom setting, easing the burden of acquiring seven certifications within eight months of being hired. This can be incentivized by offering salary credit for each experience, certification, or civil service exam achieved. In addition, L&I should leverage the Octavius Catto Scholarship to assist with candidate recruitment. This scholarship is an anti-poverty initiative offering tuition and resource support at CCP.<sup>21</sup> This will aid candidates currently enrolled in the School District of Philadelphia.

The L&I Deputy Commissioner of Training should partner with existing skilled trade training centers to develop a curriculum. This would assist in educating inspectors on the various industries and systems encountered in the field. It would also enable inspectors to receive an advanced education from experts in the various fields to assist in inspections on specialized subjects. Potential trade training centers include Sprinkler Fitters Local 692 and Operating Engineers Local 542. For example, L&I could partner with the Operating Engineers Union to develop a crane inspection training program, assisting inspectors in receiving a required tower crane inspection certification.

Last, L&I should create “quick reference guides” that address the various areas under the Department's jurisdiction. These guides should be formulated based on the existing template available for zoning, which was created by the Philadelphia City Planning Commission to

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<sup>21</sup> Community College of Philadelphia. “Octavius Catto Scholarship.” <https://ccp.edu/catto>

facilitate better understanding of the zoning code.<sup>22</sup> Making these documents public allows both L&I Inspectors and the general public to understand common pitfalls and areas where the Code is violated. L&I should incorporate assistance from experts in the field associated with the different areas of the Department’s jurisdiction. The supervisor should be contacted for additional technical support within the Department.

### **Training for Licensed Contractors**

On a regular basis, the City Code, as well as the policies and practices of the Department of Licenses and Inspections, are updated. Both new and existing contractors must have a strong understanding of both the Code and how the Department works. Acknowledging this, the Training Subcommittee believes that licensed contractors should be required to receive training. New contractors applying for their licenses should be required to take training modules provided by the Department. Contractors looking to renew their licenses should be required to take continuing education courses to receive their renewal. This recommendation will benefit contractors, who will become more knowledgeable and avoid common pitfalls, residents, who will have safer buildings, and the Department, ensuring any updates are received by all licensed contractors in the City. Enabling legislative action by City Council should be pursued immediately. The Department should partner with the Office of Innovation and Technology to produce asynchronous learning modules required for contractors. These modules must be made accessible for people with limited English proficiency and for people who do not have a reliable connection to the internet. Partnership with the Free Library of Philadelphia should be pursued to ensure access to and assistance for people who are not familiar with using the internet.



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<sup>22</sup> City of Philadelphia. (2022). “Philadelphia Zoning Code Quick Guide.” <https://www.phila.gov/documents/zoning-code-information-manual-quick-guide/>



# CHAPTER 7

## Enforcement

### Introduction

City of Philadelphia Code § 9-1004 requires each general contractor and subcontractor performing construction work on a given site to be listed clearly outside of the site where they are working. This law, among others and construction trade licensing requirements, are powerful tools for L&I to fulfill its mission to enforce the City's building codes, safety regulations, and labor laws surrounding the construction sector. Even with L&I empowered by these laws, there are further adjustments that need to be made to support L&I in their challenging task of regulating a growing and fast-moving local construction sector. As this local industry has grown in recent years, so has the underground economy. This ecosystem exploits workers through misclassification, threatens neighborhood safety, disadvantages code compliant contractors, and bilks Philadelphians of funds. Understanding that the City of Philadelphia broadly has the laws on the books necessary to regulate this industry, the Enforcement Subcommittee focused its work on illuminating process and policy changes that will better promote a growing, safe, and accountable construction industry.

### Caught Up In The System

Through the Enforcement Subcommittee's meetings, members heard input from attorneys who represent small and medium-sized L&I contractors and homeowners. Their presentation focused on the out-of-balance enforcement structure that is currently in place. According to the presentation, the way that smaller customers respond to enforcement action creates an overbearing and punitive structure. Small customers have the impression that the Department is punishing them for violating the Code; in reality, fines are intended to compel compliance. If compliance is achieved within the applicable timeframe, fines do not accrue. For larger actors with bad intentions, the fines are intended to provide support to the Law Department to bring legal action and target their licenses and permits. Many large actors, however, can afford to engage in prolonged legal battles to minimize the effects of these enforcement actions. With this experience, from the perspective of presenters, the Law Department has not brought enough prolific violators to court, the violators continue to avoid paying fines and do business in the City. This understanding was reached based on presentations made by various parties including attorneys and past and present L&I staff. The Law Department was not involved in these presentations and was not afforded the opportunity to substantiate the claim. The claim remains unsubstantiated.

This has led to a situation where the "little guy" feels unfairly targeted while they see "prolific violators" get away with serial violations. Additionally, they see an environment where L&I is not empowered enough to hold larger entities and repeat violators accountable. Continuing, intentional investigation, in coordination with the Law Department should be conducted to make it clear to would-be intentional violators that this is not an acceptable business practice in the City of Philadelphia.

Moreover, attorneys representing small contractors and homeowners described how homeowners often receive violations from L&I when hiring contractors to manage renovations, trusting that the contractor will file the appropriate permitting with the City for the work. At times, contractors will fail to file the correct permitting and put the homeowner in violation with L&I. This can be done intentionally by bad contractors taking advantage of the system. Other instances can merely be an L&I customer committing a violation out of ignorance. These violations come with a strict 30-day deadline to file an appeal with the Board of Licenses and Inspections Review. The appeal deadline is paramount under the current system, as failure to file an appeal within the 30-day period includes that the violator waives their rights to appeal.

During their presentation, the attorneys highlighted cases they were involved in where homeowners owed over \$1 million in accrued fines for properties worth less than \$100,000.<sup>23</sup> It was explained by the attorneys that this typically happens when homeowners were not aware they were in violation. Historically, these violations were able to be negotiated down, or an agreement to comply was able to be reached with the assistance of an attorney working in person with City lawyers. However, remote BLIR hearings, in the perspective of the attorneys, have minimized these opportunities. Once an appeal is filed with the BLIR, fines do not continue to accrue. The Task Force recommends that the Department better promote the path that allows violators to work towards compliance by applying for required permits shortly after receiving notices of violation. It also recommends the process be better communicated for believed incorrect violations that are appealed through the Board of License and Inspection Review appeal process. The structures that currently exist allow for amicable solutions, however, too few people in violation clearly understand these options.

During Enforcement Subcommittee meetings, L&I staff graciously provided detailed walkthroughs of their enforcement process. Committee members and L&I staff reviewed the process through which L&I receives complaints submitted through 311 as part of this discussion. The Enforcement Subcommittee asked L&I why a hypothetical non-emergency complaint would take months to get investigated; this line of questioning was prompted by a recent real-life example that was provided by one meeting participant to highlight its relevance. L&I staff explained that similar non-emergency cases may be accidentally referred to an incorrect L&I unit to be investigated. Some non-emergency violations have a 20-day window in which they must be investigated.<sup>24</sup> In these cases, a complaint can get referred and re-referred to different units with their investigation windows progressing with each referral before finally being reported to and investigated by the correct unit. This process can lead to non-emergency 311 complaints going months before they are investigated. L&I and 311 must collaborate to establish a process that prevents this from occurring and minimizes delays when they do occur. The Task Force recommends greatly improving collaboration between L&I and 311 to create clear guidelines and

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<sup>23</sup> These communications are not distributed by the Department.

<sup>24</sup> Each service has its own “Service Level Agreement” (SLA). As described, when a request is incorrectly assigned, these SLAs can compound, leading to requests taking longer to investigate than allowed.

processes that ensure 311 complaints are referred to the correct Licenses and Inspections sub-division promptly and on the first referral.

### **Department of Licenses and Inspections Advisory Working Group**

The Enforcement Subcommittee and the entire Joint Task Force on Regulatory Reform had an extremely limited timeframe to complete its stated aims. While the Task Force achieved a lot in a short amount of time, much more work is needed to effectuate the changes. The specific details to implement these changes require further investigation and consultation. To best effectuate change, the Enforcement Subcommittee recommends the establishment of a Department of Licenses and Inspections Advisory Working Group. This group would be composed of all parties related to the construction industry in the City of Philadelphia. Just as with this Task Force, it should include members from both within and outside government.



### **Enhance The Public 311 Dashboard**

Currently, 311 publishes reports on “Open Data Philly”.<sup>25</sup> This data is also available in the form of a dashboard.<sup>26</sup> This good government practice should continue. In consultation with the L&I Advisory Working Group, the incoming administration should prioritize the enhancement of the public dashboard for 311. The updates to the dashboard should show information related to substantiated vs. unsubstantiated 311 requests, response time, and other descriptive statistics as determined in consultation with the L&I Advisory Working Group.



### **Targeting Bad Actors**

During Enforcement Subcommittee meetings, L&I shared its prudent policy of withholding the issuance, or reissuance, of licenses and permits if applicants have any unpaid fees or fines with the City and are not on a repayment agreement with the City. Further discussion highlighted the City’s process of allowing repayment agreements with violators who are interested in coming into financial compliance with the City. Concern was raised by Enforcement Subcommittee members regarding an existing loophole that allows violators to enter into a repayment agreement, comply temporarily, file for any licensing or permitting needed for the next construction project, then violate the repayment agreement and move forward with their next venture. L&I sufficiently outlined that they have the tools necessary to bring violators, in this context, into compliance. However, Enforcement Subcommittee members still had concerns that this structure gives bad actors sufficient leeway to skirt financial obligations in order to gain a competitive advantage against compliant contractors. This allowance also opens the door for smaller bad actors to continue to fail to comply, grow their business, and soon become a larger bad actor. To level the playing field and prevent small bad actors from quickly becoming large bad actors, the Task Force recommends requiring a



<sup>25</sup> City of Philadelphia. “311 Service and Information Requests” [Data Release]. <https://opendataphilly.org/datasets/311-service-and-information-requests/>

<sup>26</sup> City of Philadelphia. “311 Service and Information Requests” [Dashboard]. <https://data.phila.gov/visualizations/311-requests/>

minimum payment towards fine and tax repayment agreements before holds on the issuance or re-issuance of licenses, permits, and scheduling of inspections are removed. The Department should also update notification literature to general contractors to disclose the risk of construction projects not receiving permits and final inspection if they are in noncompliance with a repayment agreement policy. The L&I Advisory Working Group should determine an appropriate minimum payment to best hold contractors accountable without being overly punitive.

### Construction Complaint District

L&I's Construction Complaint District is a group within the Construction Inspections Unit that uses newly employed inspectors still in the process of receiving their full certifications to substantiate certain complaints. The Construction Complaint District deploys these inspectors in training to take first looks at complaints regarding work being performed without permits or to respond to emergency related complaints on construction sites. After taking a first examination of these complaints, cases are then referred to fully certified staff within the unit where they are fully adjudicated.

This group contributes to L&I's effectiveness by increasing the Department's responsiveness to complaints, and better understanding the complaints they receive from the public. Furthermore, it contributes to a more holistic training pipeline for the Department by allowing new employees to actively apply their training to real life experiences, and acquire soft skills that are honed when working in the field. The Department should continue to grow the Construction Complaint District within the Construction Inspections Unit.



### Needed Enhancements Currently Pending Implementation

During the Enforcement Subcommittee's work, Enforcement Subcommittee members, or members of the greater Task Force, would raise potential changes, often relating to how City data management systems interface with the Department, to gauge feasibility with L&I and staff from other City departments. At times, those proposed changes would end up already identified to be pending implementation within the appropriate department. Below are changes that fell under this category. The Enforcement Subcommittee includes these changes in this report to offer support for their implementation and highlight their importance.



**Pending Enhancement #1:** Establish an automatic referral system from the Department of Revenue to L&I to notify when an entity falls out of compliance with a tax or fine repayment program.<sup>27</sup>

**Pending Enhancement #2:** Establish automatic hold on issuing of new license and permits for violators who are issued fines from Site Violation Notices.

**Pending Enhancement #3:** Complete implementation of Property Identification Numbers (PINs) which would allow the City's databases to share a unique identifier for properties within the City, bringing better service delivery to L&I customers and coordinating enforcement.

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<sup>27</sup> This enhancement is housed entirely within the Department of Revenue's data management system.

**Pending Enhancement #4:** Continue further investment into the AIU established under the Kenney Administration to further grow L&I's on-the-street presence.

# APPENDIX

**Exhibit A | Resolution 230534** [Begins on the next page]

# City of Philadelphia



Council of the City of Philadelphia  
Office of the Chief Clerk  
Room 402, City Hall  
Philadelphia

(Resolution No. 230534)

## RESOLUTION

Authorizing, in conjunction with the City Labor Department and the Office of the Mayor, a “Joint Task Force on Regulatory Reform” to reexamine the role and mission of the Philadelphia Department of Licenses and Inspections, and its enforcement of the “Philadelphia Building Construction and Occupancy Code” (Title 4), the “Regulation Of Businesses, Trades And Professions” (Title 9), and departmental regulations of businesses, trades, and professions; to recommend revisions to the Code and changes to facilitate more effective enforcement of the code and to clarify the missions of various Departments and Agencies impacting businesses and workers in the City; to set a direction for future Administrations and City Council to ensure the health, safety, and well-being of all workers, residents, and businesses in the City.

WHEREAS, There is a need to identify a comprehensive set of recommendations to revise Title 4 and Title 9 of the Philadelphia Code, the Department of Licenses and Inspections to enforce the code as well as identifying recommendations that other City Departments can implement to better regulate the employment environment and protect the health, safety, and well-being of all workers, residents, and businesses in the City; and

WHEREAS, Such a comprehensive examination and review of Title 4 and Title 9 of the Philadelphia Code will require the cooperation and inclusion of the Mayor’s Office, especially the Labor Department; and

WHEREAS, A comprehensive review and examination will take an extensive period of time to consider legislative recommendations that can be enacted into law; and

WHEREAS, The next Mayor and the next session of City Council will be facing new and growing construction trade pressures brought about by the Federal Infrastructure and Jobs Act, as

# City of Philadelphia

*RESOLUTION NO. 230534 continued*

well as changes in City demographics impacting both the public and private sector workforce; now, therefore, be it

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY RESOLVES:

SECTION 1. Establish a “Joint Task Force on Regulatory Reform”. The Council hereby authorizes a “Joint Task Force on Regulatory Reform” (hereafter referred to as “the Task Force”).

SECTION 2. Composition of the Task Force. The Task Force shall consist of eleven members, six appointed by City Council and five appointed by the Mayor of Philadelphia. Members of the Task Force shall consist of community members and stakeholders directly impacted by the City’s construction code, its enforcement, and its regulatory policies and practices. The Task Force shall appoint one of its members to serve as Chair.

SECTION 3. Purpose of the Task Force. The Task Force shall examine and recommend reforms to Title 4 and Title 9 of the Philadelphia Code, and its enforcement by the Department of Licenses and Inspections’ and any other departmental changes aimed at improving inter departmental cooperation and cohesion in order to ensure safe and code-compliant building construction and better regulate the construction employment environment and protect the health, safety, and well-being of workers, residents, and businesses in Philadelphia

SECTION 4. Function of the Task Force. The Task Force’s charge shall include holding public hearings, soliciting information and feedback from citizens, workers and their representatives, and other business and community stakeholders, and conducting research on regulatory reforms in other municipalities.

SECTION 5. Meetings of the Task Force. The Task Force shall be convened within 90 days of its creation and shall meet at such times as a majority of its members deem necessary and appropriate.

SECTION 6. Report of the Task Force. The Task Force shall submit a preliminary report of findings and recommendations to the incoming Mayor and City Council by December 31, 2023, which should include an action plan for completing its review and investigation and submitting a full and complete report to the City Council with its findings and recommendations, to be made available to the public.



# City of Philadelphia

*RESOLUTION NO. 230534 continued*

CERTIFICATION: This is a true and correct copy of the original Resolution, Adopted by the Council of the City of Philadelphia on the twenty second of June, 2023.

Darrell L. Clarke  
PRESIDENT OF THE COUNCIL

Michael A. Decker  
CHIEF CLERK OF THE COUNCIL

Introduced by: Councilmember Driscoll

Sponsored by: Councilmember Driscoll

**Exhibit B | Department of Licenses and Inspections Non-Tax-Revenue**  
[FY 2022 Actual]

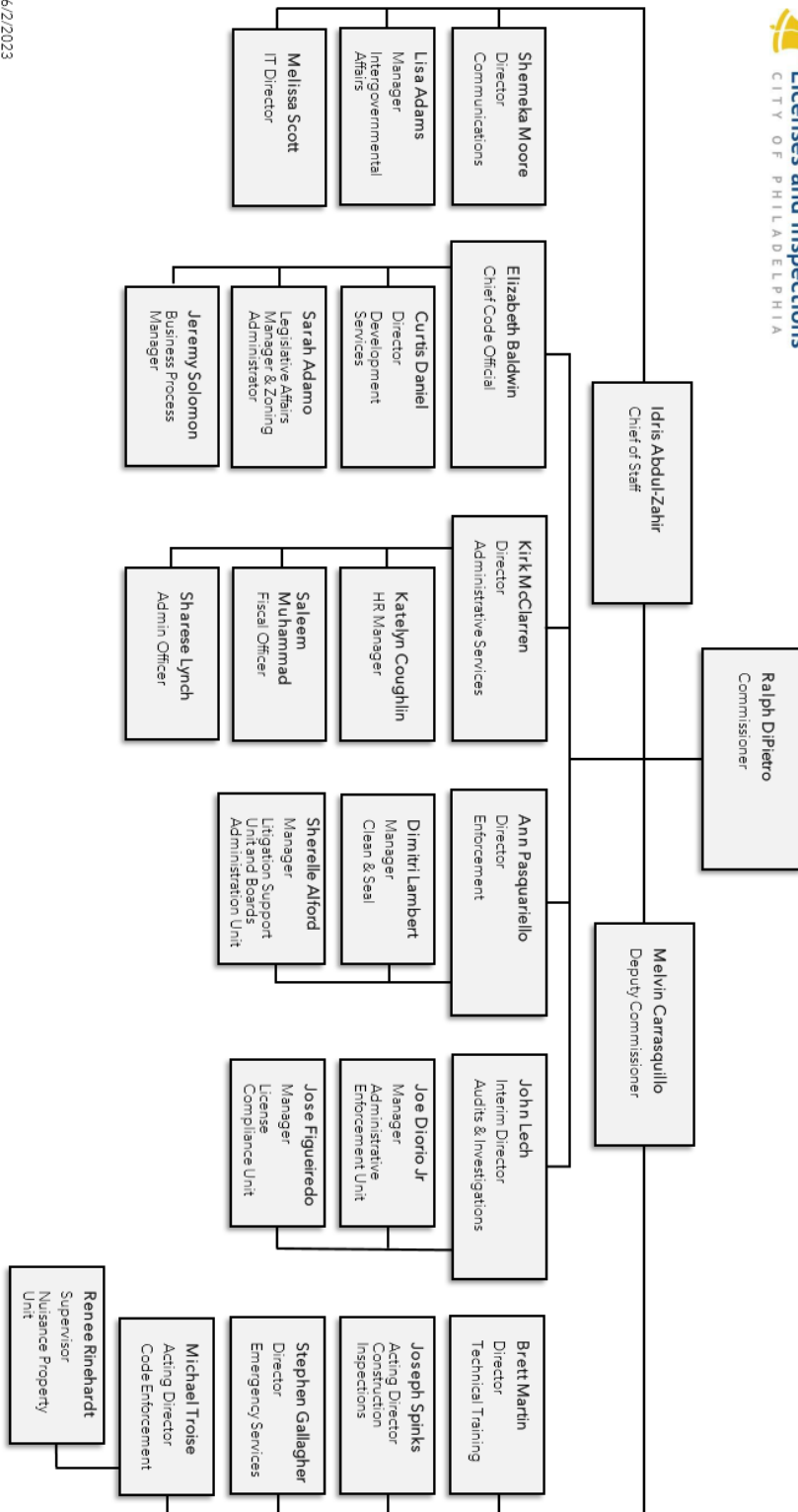
CITY OF PHILADELPHIA		TARGET BUDGET PLAN
FISCAL 2024 OPERATING BUDGET		NON-TAX REVENUES
DEPARTMENT		DATE PREPARED
LICENSES & INSPECTIONS		11/12/23
Source Code	Revenue Description	FY22 Actual
<b>LOCALLY GENERATED NON-TAX REVENUES</b>		
3000	Amusement	25,914
3100	Health	2,962,239
3200	Housing	16,204,255
3300	Police & Fire	736,802
3400	Street Use	2,746,569
3500	Professional/Occupational	1,303,840
3600	Building Permits	48,657,087
3700	Business	38,249
3800	Other Licenses	62,897
4100	Code Violation Fines	3,828,982
4200+	Other Payments	1,758,800
7136	Demolition of Buildings	2,715,737
7154	Accelerated Building Permit	4,544,618
7155	Accelerated Zoning Permit	924,908
7158	Accelerated Electrical Permit	489,250
7166	Comm. Life Imp. Prog. (CLIP)	491,571
7168	Accelerated Plumbing Permit	202,650
<b>TOTAL NON-TAX REVENUE</b>		<b>87,694,368</b>

<b>EXPENSES</b>	<b>45,748,122</b>
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PROJECTED 2024 EXPENSES	
ADMINISTRATION	6,112,851
DEMOLITION	13,488,808
BUILDING INSPECTIONS	7,908,953
PERMITS & LICENSING	7,517,652
CODE ENFORCEMENT	9,229,565
OTHER DEMOLITION	1,490,303
<b>TOTAL</b>	<b>45,748,132</b>

# Exhibit C | Department of Licenses and Inspections Organization Chart

[as of 06/02/2023]



6/2/2023

## Exhibit D | Direct Compensation Comparison Chart

[Compared to the City of Lancaster]

Position Title [Philadelphia Equivalent]	Position Title	Employer	Minimum Direct Compensation	Maximum Direct Compensation	Certifications Required
Licenses & Inspections Building Inspector	Licenses & Inspections Building Inspector	City of Philadelphia	\$58,049.00	\$69,890.00	After 18 months: Commercial Building Inspector; Accessibility Inspector/Plans Examiner; Commercial Mechanical Inspector; Commercial Energy Inspector; Commercial Plumbing Inspector. 1 more year - OSHA 30; 1 more year - OSHA 3500
Licenses & Inspections Building Inspector	Commercial Code Official	City of Lancaster	\$50,000.00	\$100,000.00	4 of the following: Commercial Building Inspector*; Commercial Electrical Inspector; Commercial Mechanical Inspector*; Commercial Plumbing Inspector*; Commercial Energy Inspector*; Accessibility Inspector/Plans Examiner*; Commercial Building Plans Examiner; Commercial Electrical Plans Examiner; Commercial Mechanical Plans Examiner; Commercial Plumbing Plans Examiner; Commercial Energy Plans Examiner
Licenses & Inspections Building Inspector	Residential Code Official	City of Lancaster	\$53,310.00	\$71,718.00	Residential Building Inspector; Residential Mechanical Inspector; Residential Plumbing Inspector; Residential Energy Inspector; Residential Electrical Inspector

\* Denotes the same certification as required for Philadelphia  
Source: Data from City of Lancaster website & Job Posting

## **Exhibit E | Quotes From Former Inspectors About Why They Left The Department**

### **Former Construction Plans Review Specialist: 7 years**

“The environment is terrible and it forced us out. They hired a manager with no experience who went after us, micromanaging. Previously, we did our inspections in the morning and were able to do our paperwork at home. Then they made us do our paperwork at the office. They asked why our cars were parked in certain places, and made us take a photo from our inspection sites, like they did not trust us.”

“I currently do six inspections per day [at my current company]. The city has 20 inspections for some people.”

“The Blue Ribbon Commission said no inspector should have more than 250 permits. When I left I had 12 times that number.”

### **Former Plans Examinations Engineer: 12 years**

“My main issue is the residency. I was required to live in Philly. The schools were not right for my kids. 95% of us in the engineering unit who left, it was because of the residency. If the residency requirement were lifted, I would come back, and others would too.”

### **Former Construction Plans Review Specialist: 10 years**

“I left the job for less pay and worse benefits and after investing time to get a master’s degree, solely because of management.”

“Management at L&I drove 50 people out in a few years. A Philly.com story out today says there are just 23 building inspectors — down from 73 in 2019.”

[<https://www.inquirer.com/news/philadelphia/inq2/philadelphia-contractor-home-damage-accountability-20231206.html>]

“Management acts like the police. Instead of policing contractors, they go after inspectors – where’s your dress shirt, where were you between 3-4, why did this job take longer than this other one (maybe they couldn’t find parking), we need office coverage of 60% at all times. We lost a lot of good guys because of this.”

“The inspectors are overworked. We need less managers and more boots on the ground.”

“Pay was not a problem, with so many great benefits: health insurance, pension, vacation, personal days.”

### **Former Plans Examinations Engineer: 10 years**

“The primary reason why I sought employment elsewhere is due to the residency requirement. It is not necessarily the City, itself, as much as it is to do with the quality of the school district my children would have to attend.... We feel PSD is not going to provide the support and experience we expect our children to experience.”

“Second, I feel that after working for the Department for a decade, we are not treated as professional adults. If one or two examiners abuse the system, the entire system is changed and privileges are removed”

**Former Construction Plans Review Specialist: 9 Years**

“We felt that [management] was just relegating us to the roles of ‘glorified clerks’ through [the] re-structuring plans for our unit.”

“The lack of training to both the examiners and the end user (applicant) truly made the job miserable. I always prided myself on being able to help applicants with the permitting process; but, with the ECLIPSE operating system I felt as lost and confused as the applicants did and I wasn’t getting much help from my immediate supervisor.”