

**DEPARTMENT OF LICENSES AND INSPECTIONS  
FISCAL YEAR 2027 BUDGET TESTIMONY  
APRIL 8, 2026**

**INTRODUCTION**

Good Afternoon, Council President Johnson and Members of City Council. We are Commissioners Bridget Greenwald, Quality of Life, and Basil Merenda, Inspections, Safety and Compliance. We are pleased to provide testimony on the Department of Licenses and Inspections' Fiscal Year 2027 Operating Budget.

**DEPARTMENT MISSION & PLANS**

**Mission:** Under Mayor Parker's leadership, the Department of Licenses and Inspections (L&I) has been split into two departments – Inspections, Safety and Compliance (ISC) and Quality of Life (QOL) – to help it better perform its core functions. ISC enforces the City's codes for the safe and lawful construction and use of buildings to support the Mayor's goal of building mutual trust and safety in city neighborhoods and providing access to economic opportunity for all. QOL responsibly and respectfully serves the community of Philadelphia by providing quality code education and enforcement services through transparency, approachability, and embracing positivity to make Philadelphia the safest, cleanest, and greenest big city in the country with access to economic opportunity for all.

**Plans for Fiscal Year 2027:** The Department will continue to follow its mission when performing current duties or implementing new initiatives. See Department plan details in the FY27 Strategic Goals listed under the Program Based Budgeting sections of this document.



*L&I's Quality of Life team works with the Philadelphia Parking Authority and Philadelphia Police Department on a neighborhood operation to rid blocks of abandoned cars and illegal auto shops.*

DEPARTMENT OF LICENSES AND INSPECTIONS

**PROPOSED BUDGET OVERVIEW & OTHER BUDGET DRIVERS**

<b>General Fund Financial Summary by Class</b>						
	FY25 Original Appropriations	FY25 Actual Obligations	FY26 Original Appropriations	FY26 Estimated Obligations	FY27 Proposed Appropriations	Difference: FY27 Proposed-FY26 Estimated
Class 100 - Employee Compensation	\$28,420,282	\$30,019,946	\$30,761,407	\$32,136,750	\$33,725,984	\$1,589,234
Class 200 - Purchase of Services	\$13,996,444	\$12,303,107	\$14,188,444	\$14,188,444	\$14,212,118	\$23,674
Class 300/400 - Materials, Supplies & Equipment	\$809,475	\$748,569	\$1,041,475	\$1,041,475	\$2,510,475	\$1,469,000
Class 500 - Contributions	\$0	\$326,750	\$0	\$0	\$0	\$0
	<b>\$43,226,201</b>	<b>\$43,398,372</b>	<b>\$45,991,326</b>	<b>\$47,366,669</b>	<b>\$50,448,577</b>	<b>\$3,081,908</b>

<b>Contracts Summary (Professional Services only)</b>						
	FY23	FY24	FY25	FY26	FY26 YTD (Q1 & Q2)	FY27 Projected
Total amount of contracts	\$520,900	\$701,087	\$2,510,776	\$2,510,776	\$812,280	\$2,747,391
Total amount to S/LBE	N/A	N/A	N/A	N/A	N/A	N/A
Total amount to M/W/DSBE	\$280,000	\$280,000	\$878,772	\$878,772	\$371,000	
S/LBE Participation Rate	N/A	N/A	N/A	N/A	N/A	N/A
M/W/DSBE Participation Rate	54%	40%	35%	35%	46%	

*\*S/LBE not yet available as the City works to build the S/LBE registry and begin setting small and local business participation goals.*

<b>Total S/LBE Contract Participation Goal (Public Works; Services, Supplies &amp; Equipment; and Professional Services combined)</b>			
	FY25	FY26	FY27 Projected
S/LBE Contract Participation Goal	N/A	N/A	N/A

*\*S/LBE not yet available as the City works to build the S/LBE registry and begin setting small and local business participation goals.*

## DEPARTMENT OF LICENSES AND INSPECTIONS

### **Proposed Funding Request:**

The proposed Fiscal Year 2027 General Fund budget totals \$50,448,577, an increase of \$3,081,908 over Fiscal Year 2026 estimated obligation levels. This is primarily due to DC33, DC47, non-represented and exempt pay increases, additional ISC vehicles for building inspectors, and establishment of the QOL Proactive Rental Inspection Program (PRIP).

The proposed budget includes:

- \$33,725,984 in Class 100, a \$1,589,234 increase from FY26 estimated obligations. This increase is attributable to pay raises and QOL PRIP staff. This funding will support QOL and ISC staffing.
- \$14,212,118 in Class 200, a \$23,674 increase from FY26 estimated obligations. This increase is attributable to QOL PRIP training and enhanced eCLIPSE reporting. This funding will support contracted services, like certifications, code and safety trainings, and technology support.
- \$2,510,475 in Class 300/400, a \$1,469,000 increase from FY26 estimated obligations. This increase is attributable to ISC vehicles for building inspectors and QOL PRIP supplies and equipment, including vehicles. This funding will support the department's material, supplies, and equipment needs.

DEPARTMENT OF LICENSES AND INSPECTIONS

**STAFFING LEVELS**

The department is requesting 455 budgeted General Fund positions for FY27, an increase of 13 positions from FY26.

The increase is attributed to the hiring of eight L&I Technical Code Specialists, two L&I Code Enforcement Supervisors, one L&I Code Services Director, one Service Representative, and one L&I Code Administrator for QOL PRIP.

Employment Levels (as of November 2025)			
	FY26 Budgeted	Filled as of November 2025	FY27 Proposed
Number of Full-Time Positions	442	377	455
Number of Exempt Positions	44	44	44
Number of Executive Positions (deputy level and above)		9	
Average Salary of All Full-Time Positions		\$76,304	
Median Salary of All Full-Time Positions		\$70,479	

**NEW HIRES**

New Hires (from 7/1/2025 to November 2025)					
	Total Number of New Hires	Mandarin	Vietnamese	Spanish	Arabic
Black or African American	3				
Asian	2	1	1		
Hispanic or Latino	1			1	
White	3				1
Other	1				
Total	10	1	1	1	1

The Department had 10 new hires between November 2025 and March 2026.

DEPARTMENT OF LICENSES AND INSPECTIONS

**VACANCY RATE AND ALLOWANCE**

<b>Vacancy Rate Summary (General Fund)</b>						
	<b>FY25 Actual Vacancy Rate</b>	<b>FY26 Budgeted Vacancy Allowance</b>	<b>FY26 Vacancy Rate</b>	<b>FY26 Budgeted Vacancy Allowance Rate</b>	<b>FY27 Budgeted Vacancy Allowance</b>	<b>FY27 Budgeted Vacancy Allowance Rate</b>
Departmental Total	13.4%	(\$1,049,014)	14.7%	3.6%	(\$1,520,075)	4.7%

DEPARTMENT OF LICENSES AND INSPECTIONS

**OTHER BUDGETARY IMPACTS**

**Federal and State (Where Applicable)**

L&I receives \$490,303 in annual federal Community Development Block Grant (CDBG) funding, which funds the salaries of six (6) Building Inspectors, who coordinate the demolition of imminently dangerous properties in low- to moderate-income areas of the city.

L&I receives \$1,000,000 per year from the Commonwealth for the County Demolition Fund to support the demolition of imminently dangerous properties in the city.

DEPARTMENT OF LICENSES AND INSPECTIONS

**CONTRACTING EXPERIENCE**

M/W/DSBE Participation on Large Professional Services Contracts											
Top Five Largest Contracts, FY26											
Vendor Name	Service Provided	Dollar Amount of Contract	RFP Issue Date	Contract Start Date	Ranges in RFP	% of M/W/DSBE and SBE Participation Achieved	\$ Value of M/W/DSBE and SBE Participation	Total % Participation - All DSBEs	Total \$ Value Participation - All DSBEs	Local Business	Waiver for Living Wage Compliance?
Batta Environmental Associates, Inc.	Asbestos Survey Services	\$80,000	6/14/2023	8/1/2023	MBE: BGFE	100%	\$80,000	100%	\$80,000	No	No
					WBE: BGFE	0%	\$0				
					DSBE: BGFE	0%	\$0				
					S/LBE: BGFE	0%	\$0				
Bell Remediation, LLC	Asbestos Survey Services	\$80,000	6/14/2023	8/1/2023	MBE: BGFE	100%	\$80,000	100%	\$80,000	No	No
					WBE: BGFE	0%	\$0				
					DSBE: BGFE	0%	\$0				
					S/LBE: BGFE	0%	\$0				
Environmental Technicians, LLC	Asbestos Survey Services	\$80,000	6/14/2023	8/1/2023	MBE: BGFE	100%	\$80,000	100%	\$80,000	No	No
					WBE: BGFE	0%	\$0				
					DSBE: BGFE	0%	\$0				
					S/LBE: BGFE	0%	\$0				
Synertech Incorporated	Asbestos Survey Services	\$80,000	6/14/2023	8/1/2023	MBE: BGFE	0%	\$0	0%	\$0	Yes	No
					WBE: BGFE	0%	\$0				
					DSBE: BGFE	0%	\$0				
					S/LBE: BGFE	0%	\$0				
Westchester Environmental, LLC	Asbestos Survey Services	\$80,000	6/14/2023	8/1/2023	MBE: BGFE	100%	\$80,000	100%	\$80,000	No	No
					WBE: BGFE	0%	\$0				
					DSBE: BGFE	0%	\$0				
					S/LBE: BGFE	0%	\$0				

\* Non-Profit Vendor Demographics not applicable.

## DEPARTMENT OF LICENSES AND INSPECTIONS

### **PROGRAM BASED BUDGETING:**

**Program Name:** Inspections, Safety & Compliance (ISC)

**Program Number:** 32

**FY27 Proposed General Fund:** \$32,994,054

**Program Description:** The ISC program issues building, plumbing, electrical, and zoning permits, as well as business and trades licenses in accordance with legal and code requirements. This program also conducts building inspections for all permitted activities and patrols construction activity to ensure that all projects are properly permitted. In addition, this program is responsible for managing the demolition of imminently dangerous structures and for responding to emergency calls related to structural collapses, fires, and related emergencies. ISC also provides administrative support to the appellate and advisory boards associated with the Department.

### **FY27 Strategic Goals:**

- ISC will participate in the “Digital Front Door” pilot, in partnership with other City agencies (the Mayor’s Office of Policy Planning and Delivery, Office of Innovation and Technology, Commerce, Revenue, Public Health, Department of Planning & Development, Records, and Office of Property Assessment), as part of the PHL Open for Business initiative, to develop a centralized user interface system using single sign-on for rental licensing.
- ISC will commence a residential permitting modernization project designed to transition permits to a modern, clear, and accessible format. This project is part of the Better Services PHL initiative.
- Beginning in July 2026, permit applications will not be issued if the trades license holder has outstanding fines, fees, or delinquent taxes. Enforcement and follow-through will be done through the ISC Audits and Investigations Unit. The ISC Training and Development Unit will be reorganized with a focus on the development of training materials to promote less reliance on third-party training vendors and a new quality assessment program to provide data on specific training needs for field inspection staff and supervisory staff.

DEPARTMENT OF LICENSES AND INSPECTIONS

**FY27 Performance Measures:**

Measure	FY25 Actual	FY26 Target	FY27 Target
Median timeframe for permit issuance -- residential (in days)	6	≤ 9	≤ 9
Median timeframe for permit issuance -- commercial (in days)	20	≤ 25	≤ 25
Number of building, electrical, plumbing, and zoning permits issued	49,380	Meet demand	Meet demand
Number of demolitions performed	296	350	350
Number of "imminently dangerous" properties	133	A reduction from FY25	A reduction from FY26
Median timeframe from "imminently dangerous" designation to demolition (in days)	132	≤ 130	≤ 130
Number of unsafe properties	3,427	A reduction from FY25	A reduction from FY26
Average number of permits per building inspector <sup>1</sup>	1,017	≤ 850	≤ 850

<sup>1</sup> The target of 850 reflects increased staffing. The Department hired a class of new Building Inspectors in October 2024, which has impacted outcomes for this measure, and it is on track to meet the FY26 target.

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**PROGRAM BASED BUDGETING:**

**Program Name:** Quality of Life (QOL)

**Program Number:** 33

**FY27 Proposed General Fund:** \$13,345,202

**Program Description:** The QOL program is responsible for enforcing Philadelphia Property Maintenance, Zoning, Administrative, and Fire Codes; ensuring that businesses possess proper licenses and comply with ordinances and regulations governing business activity; cleaning and sealing vacant and abandoned properties; and addressing properties that pose a nuisance to quality of life in the city. QOL also represents the Department in court actions against those who fail to comply with code violations. In addition, QOL conducts annual school inspections for all District-operated and charter-operated schools and enforces codes related to requirements for property owners to have fire protection systems inspected and certified by qualified tradespeople.

**FY27 Strategic Goals:**

- QOL will complete the accreditation process to obtain International Accreditation Services (IAS) Code Enforcement Certification. QOL is finalizing its submission and plans to make a formal application for Code Enforcement accreditation with IAS in the summer of 2026. The IAS accreditation process is extensive, taking six months or more after submitting the application, and involves a comprehensive evaluation conducted by industry experts who will review all aspects of QOL's operation. Accreditation provides an independent and objective verification against standards of best practice in the code industry.
- QOL will implement additional strategies, such as reviewing statistics and compliance rates, to determine new locations to enhance the Philadelphia Police Department, Philadelphia Parking Authority, and L&I QOL (PPL) collaboration and Business Education Enforcement (BEE) programs.
- QOL will work with public safety partners on coordinated efforts to enhance the quality of life in Kensington through the PPL, BEE, Clean and Seal, and rental and vacant property inspections.

DEPARTMENT OF LICENSES AND INSPECTIONS

**FY27 Performance Measures:**

Measure	FY25 Actual	FY26 Target	FY27 Target
Percent of complaints inspected within the Service Level Agreement	88%	≥ 85%	≥ 85%
Total number of business investigations conducted annually as part of the BEE program <sup>1</sup>	1,915	1,700	1,700
Average number of days to resolution for vacant and open structures from initial inspection	30	≤ 30	≤ 30
Average number of days to reinspection for open case files <sup>1</sup>	47	≤ 45	≤ 45
Average number of days between initial violation and referral to Law Department (serious violations) <sup>1</sup>	57	≤ 70	≤ 70

<sup>1</sup> This measure was introduced in FY25. L&I QOL will reassess the target for this measure after collecting two full years of data.

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**PROGRAM BASED BUDGETING:**

**Program Name:** Administration – Shared Services

**Program Number:** 31

**FY27 Proposed General Fund:** \$4,109,321

**Program Description:** The Administration program is responsible for providing administrative support for both ISC and QOL. Functions include human resources (HR), employee safety, payroll, employee and labor relations, budget and accounting services, procurement, contract administration, and general services.

**FY27 Strategic Goals:**

- Department-wide leadership training, which began in January 2026, will strengthen L&I’s leaders with new skills and sharpen their existing skills.
- L&I will finalize the administrative segment of the split into the ISC and QOL departments.
- L&I will explore opportunities to revise job specification requirements to allow for new ways to qualify for L&I positions and establish a long-term partnership with the City College for Municipal Employment (CCME) to establish a program for providing the education and experience needed to meet those requirements.

**FY27 Performance Measures:**

Measure	FY25 Actual	FY26 Target	FY27 Target
Net personnel gain/loss (+ new hires, - separations)	18	20	33
Number of on-the-job injuries	36	A reduction from FY25	A reduction from FY26

# Responsibilities

## Vacant/Open Properties

- Provide seals for vacant and open properties.
- Remove exterior rubbish/debris from vacant properties.
- Coordinate clean-up efforts with CLIP.
- Refer dangerous structures to L&I's Inspections, Safety, and Compliance Department (L&I ISC).

## Exterior Property Inspections

- Inspect and issue violations for excessive trash and abandoned vehicles on properties.
- Inspect and issue violations for missing doors/windows, trash, high weeds, etc.

## Residential Code Enforcement

- Inspect and issue violations based on complaints from renters/landlords.

## Fire Safety Enforcement

- Inspect high rises, large commercial and residential properties for fire code compliance.
- Perform annual programmed inspections on charter schools, public schools, and scrapyards.

## Commercial Corridor/Business Compliance

- Educate the City's businesses located in commercial corridors on what is required by code (licenses/zoning/fire safety) to operate a business in Philadelphia.
- Enforce business codes after an education period and ensure adherence to those codes.
- Enforce illegal vehicle repair and "pop-up street businesses."
- Enforce vendor operations.
- Provide special events support for vendor enforcement.
- Coordinate multi-agency initiatives with Law, Commerce, Health, PPD, CLIP, Sanitation, and PPA.

## Clean and Green

- Conduct inspections along with a multi-departmental initiative that touches every part of the City.

## Litigation Support

- Provide municipal and equity court support to the Law Department by putting together cases and providing testimony.



Department of Licenses and Inspections

**Inspections, Safety and Compliance**

CITY OF PHILADELPHIA

# Responsibilities

## Construction Inspections

- Provide construction inspections for permitted construction work.

## Permit Issuance

- Issue zoning, building, mechanical, plumbing, and electrical permits after plans have been submitted and reviewed.

## License Issuance

- Issue trades, rental, and business licenses and renewals.

## Contractual Services Unit

- Perform emergency inspections on imminently dangerous (ID) and unsafe structures.
- Coordinate demolition activity on ID structures through various contractors.

## Boards Administration

- Administrate appeals to the Board of Building Standards and the Board of Licenses and Inspections Review.

## Audits & Investigations

- Perform audits of construction sites for code conformance.
- Perform investigations of unlicensed contractors.

*Please Note: Individuals trespassing on properties and/or businesses that have been sealed or ceased by L&I QOL should be reported to the Philadelphia Police Department (PPD). The PPD will take appropriate action to enforce criminal codes. These properties are marked with a white sticker with red diagonal stripes.*