



REPORT TO COUNCIL

City of Sacramento

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915 I Street, Sacramento, CA 95814-2604
www.CityofSacramento.org

Public Hearing
February 23, 2010

**Honorable Mayor and
Members of the City Council**

**Title: Reactivation Fee for Expired Building Permits and Building Permit
Applications pursuant to Ordinance No. 2009-008**

Location/Council District: Citywide/All

Recommendation: Conduct a Public Hearing and, upon conclusion, adopt a **Resolution** establishing a fee for reactivation of building permits and building permit applications pursuant to Ordinance No. 2009-008 (Three-year extension of certain land use entitlement and building permits.)

Contact: Carl Hefner, Chief Building Official, (916) 808-8779; David Kwong, Acting Director of Community Development, (916) 808-2691

Presenters: Carl Hefner

Department: Community Development Department

Division: Building

Organization No: 21001211

Description/Analysis

Issue: On January 27, 2009 Council adopted Interim Ordinance No. 2009-008 concerning extension of certain land use entitlements, building permits and building permit applications that expire during the term of the ordinance. Ordinance No. 2009-008 provides that a reactivation fee for expired building permits and expired building permit applications shall be established by resolution of the City Council. The proposed attached resolution establishes a reactivation fee for expired building permits and expired building permit applications pursuant to Ordinance No. 2009-008. The establishment of a reactivation fee will provide a mechanism to recover costs the City will incur when reactivating building permits and building permit applications.

Policy Considerations: Consistent with the Fees and Charges Policy, proposed fees and fee adjustments requiring Council approval are included in the Resolution.

Environmental Considerations:

California Environmental Quality Act (CEQA): Approval of fees does not constitute a "project" and is therefore exempt from the CEQA according to Section 15601(b)(3) of the CEQA guidelines.

Sustainability Considerations: None

Commission/Committee Action: None

Rationale for Recommendation: The adoption of these fees and charges will ensure that the City's current costs will be recovered for the duration of the adopted interim ordinance.

Financial Considerations: The continued economic downturn has created a growing gap between revenues and expenses within the Community Development Department. Therefore, staff is recommending approval of the reactivation fee as provided in Exhibit A to the proposed Resolution. Consistent with the City Council's adopted Fees and Charges Policy: the review, and adjustment of and addition to citywide cost recovery through fees and charges are an appropriate mechanism to offset General Fund expenditures. This proposed fee is expected to generate approximately \$42,000 on an annual basis for the remaining two years the ordinance is in effect.

Emerging Small Business Development (ESBD): Not Applicable

Respectfully Submitted by



Carl Hefner
Chief Building Official

Approved by:



David Kwong
Acting Director of Community Development

Recommendation Approved:


Ray Kerridge
City Manager

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Attachment 1

Background

The City Council of the City of Sacramento adopted Ordinance 2009-008 on January 27, 2009, due to the current economic downturn and the constriction of the credit market delaying the start and completion of construction of land development projects, and the land use entitlement approvals and building permits for these projects being at risk of expiring. Because the processing, approval, and issuance of land use entitlements and building permits represent a substantial investment of money, time and effort toward the successful completion of these projects, expiration of these entitlements and permits represent a significant loss for the owners and the City. Ordinance 2009-008 protects against this potential loss and preserves "shovel-ready" development opportunities by granting additional time to the term of these entitlements and permits, while allowing the City a method to recover costs.

To reactivate the building permits and building permit applications staff needs to complete the following: research to determine if the building permit or building permit application is eligible for reactivation; locate plans and supporting documents to verify the scope of remaining work; process the request for reactivation in the Accela system, checking fees, and ready the building permit or building permit application for issuance; and collect the fees due. It's estimated that the number of hours to complete the above process will most likely average three and a half (3.5) hours, however to ensure that building permits or building permit applications with lower valuations and smaller scope of work will not be penalized monetarily for the amount of time to reactivate, staff wishes to set the minimum to two (2) hours with a capability to recover costs for larger projects which will take more staff time for research and processing.

Attachment 2

RESOLUTION NO.

Adopted by the Sacramento City Council

**ESTABLISH A REACTIVATION FEE FOR EXPIRED BUILDING PERMITS AND
BUILDING PERMIT APPLICATIONS PURSUANT
TO ORDINANCE NO. 2009-008**

BACKGROUND

- A. On January 27, 2009, the City Council adopted Ordinance No. 2009-008 which provided for reactivation of expired building permits and expired building permit applications pursuant to the terms of Ordinance No. 2009-008.
- B. Ordinance No. 2009-008 provides that a fee in an amount established by resolution of the City Council shall be charged to any person who requests the City to reactivate a building permit or building permit application pursuant to the provisions of Ordinance No. 2009-008.
- C. This resolution establishes a fee pursuant to Ordinance No. 2009-008 to provide for the City to recover the costs it incurs when reactivating building permits or building permit applications as requested.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL
RESOLVES AS FOLLOWS:**

Section 1. Proposed new fee is hereby approved as set forth in Exhibit A

Section 2. Exhibit A is part of this Resolution

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Exhibit A – Reactivation Fee

Exhibit A
Reactivation Fee

Justification: Cost recovery based on recent staff hourly wage analysis and anticipated amount of time to process requests for reactivation of building permits and building permit applications pursuant to Ordinance No. 2009-008.

Description	Current Fee:	Proposed Fee:
Reactivating building permits or building permit applications pursuant to Ordinance No. 2009-008 Minimum of 2 Staff Hours plus any additional time per hour	\$0	\$280 (minimum) + \$140 (per each additional hour)

Duration: Fee will be effective April 26, 2010 through February 26, 2012