

TO: JAMES L. APP, CITY MANAGER

FROM: BOB LATA, COMMUNITY DEVELOPMENT DIRECTOR

SUBJECT: ZERO FEE BUILDING PERMITS AND PUBLIC IMPROVEMENT
REQUIREMENTS RELATED TO EARTHQUAKE RECOVERY

DATE: SEPTEMBER 7, 2004

Needs: For the City Council to consider whether or not to extend the deadline for “zero fee permits” for demolition, repair and reconstruction projects related to the December 2003 earthquake.

Facts:

1. City Council Resolution No. 04-30 (copy attached) established a “zero fee” for Building Permits for earthquake related demolition, repair and reconstruction activities.
2. The “zero fee” schedule applied for a period of 120 days and expired June 1, 2004.
3. The City has received an inquiry from Mr. Steve Eorio, an owner of a residential property at the SE corner of Fresno and 12th Street. Mr. Eorio did not file for Building Permits before the June 1, 2004 deadline. He is seeking an extension of the “zero fee” provision.
4. Although others have not made similar requests, based on observation and awareness of projects that are still pending, there will likely be more property owners seeking an extension of the “zero fee” schedule for addressing earthquake damage.
5. A related issue is whether or not the City’s standard requirements for installation of curb, gutter, and sidewalk would apply to earthquake related building permits. A clarification of this question would be of assistance to any property owner with permits exceeding \$10,000 in permit valuation.

Analysis
and

Conclusion: Properties that were impacted by the December earthquake and which did not file for Building Permits related to demolition, repair or reconstruction plans prior to June 1, 2004 include (but are not limited to):

- Richard Woodland, reconstruction of 2 buildings at 1236-38 Pine Street
- Mr. & Mrs. Mole, demolition and reconstruction of 2 buildings at 1446 Park Street and 818 15th Street
- Mr. & Mrs. Cromwell, repair of existing structure at 305 14th Street
- Mrs. Henderson, demolition and reconstruction at 1213 Vine Street

The purpose of establishing the June 1, 2004 deadline for filing plans for demolition, repair, or reconstruction was to encourage a timely response to the earthquake.

Options would seem to include:

- Maintain the June 1, 2004 deadline for granting “zero fee permits”;
- Extend the “zero fee permit” window for residential use properties based on the premise that it is probably more difficult for residential property owners to deal with earthquake related repair;
- Extending the “zero fee permit” deadline to include all structures that were impacted by the December 2003 earthquake, including both commercial and residential structures.

Whereas there are relatively few commercial buildings that were significantly impacted by the December 2003 earthquake, there may be a number of damaged residential buildings (e.g. foundation and/or chimney repairs) for which no permits have been requested.

Providing an extension limited to residential occupancy structures would seem a viable option with relatively limited financial exposure to the City. In addition, limiting an extension to residential structures would be consistent with the seismic retrofit requirements that apply only to commercial unreinforced masonry buildings.

Extending the deadline for “zero fee permits” to all earthquake damaged structures, including both residential and commercial, is a more expensive option, but not to an extreme degree. To date, the City’s cost for all of the waived permit fees totals about \$27,000, and there are relatively few remaining significant buildings for which plans have not yet been submitted.

An open-ended window for a zero fee may, however, send the wrong message with regard to future similar deadlines. If the Council is inclined to extend the “zero fee” provisions, it may be appropriate to limit the time extension to a date specific (e.g. 12/31/04).

A related consideration is the cost of curb, gutter and sidewalk that is automatically triggered by construction projects that exceed \$10,000 in permit valuation. To date, the City has not required street improvements in conjunction with seismic repairs because of pending (but not yet passed) Assembly Bill 3033. This bill prohibits jurisdictions from requiring any improvements not related to the seismic retrofit of the building. It would be helpful to get a Council action that would determine the status of public improvements in relation to earthquake damage repairs. An exemption for repair and replacement without any increase in square footage would seem reasonable, with public improvements required by any incremental increase that would normally trigger those requirements.

Policy

Reference: City Council Resolution 04-30; Municipal Code Chapter 11.12

Fiscal

Impact: If restricted to residential projects, the zero fee provision is estimated to result in the City not collecting about \$15,000 in Building Permit fees. If the zero fee provision were to include both residential and commercial structures, the City would forego up to an estimated \$25,000 in additional permit fees.

Options:

- a. Direct staff to prepare a Resolution extending the “zero fee” provisions for Building Permits related to earthquake demolition, repair and/or reconstruction for residential land uses from June 1 through December 31, 2004, with the related interpretation that the City’s requirements for public improvements under Municipal Code Chapter 11.12 would not apply to replacement of the same size structure(s), but that any incremental increase in structure size would trigger the requirements of that same Chapter 11.12.
- b. Amend, modify, or reject the foregoing option.

RESOLUTION NO. 04-30

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
ESTABLISHING FEE SCHEDULE FOR CERTAIN PERMITS REQUIRED
IN CONNECTION WITH REPAIRS OR DEMOLITION
AS A RESULT OF EARTHQUAKE DAMAGE

WHEREAS, on December 22, 2003, an earthquake caused extensive damage to numerous buildings and property within the City of El Paso de Robles; and

WHEREAS, the City Manager, acting as the Director of Emergency Services proclaimed the existence of a local emergency within the City on December 22, 2003; and

WHEREAS, the City Council confirmed the proclamation of a local emergency and found that conditions of extreme peril warranted and necessitated the proclamation of the existence of a local emergency; and

WHEREAS, the Governor of the State of California has declared a state of emergency for San Luis Obispo County, including the City; and

WHEREAS, the President of the United States has declared San Luis Obispo County, including the City, to be a disaster area; and

WHEREAS, the City Council desires to encourage private property owners to initiate the reconstruction related to property damage caused by the earthquake as soon as possible.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of El Paso de Robles as follows:

SECTION 1. The City Council hereby finds that a temporary reduction in certain City planning and processing fees will promote the public health, safety and welfare by encouraging owners of private property to demolish those structures made unsafe by the earthquake, and to repair, reconstruct and rehabilitate those structures which have been damaged by the earthquake so that they may be returned to a safe and sound condition. Because of the high cost of earthquake insurance, most of the damage sustained by these structures may not be covered by insurance, and the cost of such work will have to be borne by the property owners themselves.

SECTION 2. The City Council hereby adopts the following fee schedule for the specific permits listed below:

Building Permits:	\$0
Plan Review	\$0
Electronic Archiving	\$0
Grading	\$0
Encroachment	\$0
Development Review Committee	\$0
Demolition	\$0
Planned Development and/or Conditional Use Permit	\$0
Temporary Use Permits	\$0

SECTION 3. The fee schedule adopted by this Resolution shall be effective retroactive to December 22, 2003, and is specifically intended to apply only to work to demolish, repair, reconstruct or rehabilitate those improvements, structures and buildings which sustained damage from the earthquake and its aftershocks, and as verified by the City Building Division. This fee schedule shall remain in effect until June 1, 2004.

SECTION 4. The existing fee schedule for the permits and work specified in Section 2 were established based on the cost of the City of providing such services. The City Council hereby finds and determines that, compared to the total cost of the demolition, repair, reconstruction and/or rehabilitation work to be done by the property owners in connection with the earthquake damage, the monetary relief provided by the temporary fee schedule adopted by this resolution is de minimis in the context of the entire project to be undertaken by the private property owner.

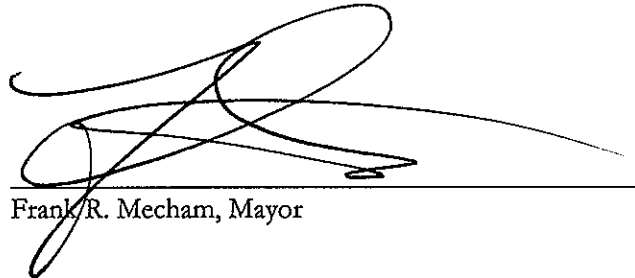
ADOPTED by the City Council of the City of El Paso de Robles at a regular meeting of said Council held on the 17th day of January 2004 by the following vote:

AYES: Finigan, Heggarty, Nemeth, Picanco and Mecham

NOES: None

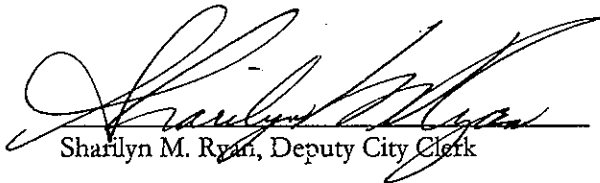
ABSTAIN: None

ABSENT: None



Frank R. Mecham, Mayor

ATTEST:



Sharilyn M. Ryan, Deputy City Clerk

RESOLUTION OF THE COUNCIL
OF THE CITY OF PASO ROBLES, STATE OF CALIFORNIA

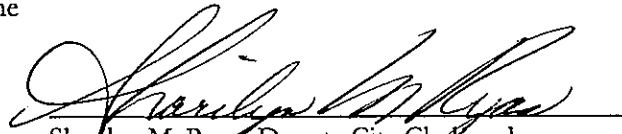
IN THE MATTER OF:

No. 04-30

Establishing fee schedule for certain permits required in connection with repairs or demolition as a result of earthquake damage

I, Sharilyn M. Ryan, Deputy City Clerk of the City of Paso Robles, certify that the foregoing is a full, true and correct copy of Resolution No. 04-30 proposed by Councilmember Heggarty, seconded by Councilmember Nemeth, was duly passed and adopted by the Council of the City of El Paso de Robles at its regular meeting on February 17, 2004, by the following vote:

AYES:	Councilmembers:	Finigan, Heggarty, Nemeth, Picanco and Mecham
NOES:	Councilmembers:	None
ABSTAIN:	Councilmembers:	None
ABSENT:	Councilmembers:	None


Sharilyn M. Ryan, Deputy City Clerk and
Ex-Officio Clerk of the City Council