TO: James L. App, City Manager,

FROM: Doug Monn, Public Works Director/Clyde Ganes, Deputy Building Official

SUBJECT: Building Plan Review Options

DATE: August 5, 2014

NEEDS: For the City Council to consider a plan to rebuild building permit review process capacity.

FACTS: 1. On July 15, 2014 City Council reviewed a report discussing options to advance the plan review process.

- 2. Council established an Ad Hoc committee to work with staff to develop final recommendations.
- 3. Workloads associated with development projects continue to escalate. Submitted projects are approximately equal in number to 2007 levels; however, staff has been reduced 53% since 2007 and plan review time averages approximately 40% longer than 2007.

Average Plan Review Time

	<u>2007</u>	2014
Residential	62 Days	137 Days
Commercial Industrial	91 Days	127 Days
Tenant Improvements	23 Days	67 Days

- 4. The City uses outside contractors to accomplish 95% of all plan review.
- 5. The Cost for contract service is 'passed through' based on the rate negotiated by the City
- 6. The current bottleneck in permit processing is the result of limited City staff to coordinate the review process, plan rechecks, and calculate fees.

7. As an initial measure:

- a. Staff has retained contract help forty hours per week to assist the Deputy Building Official in freeing up the review process.
- b. The existing Administrative II individual assigned to the building division will be allocated to a greater role in the plan review process.
- c. The counter will be temporarily staffed half time by the existing Administrative II and an Administrative II currently providing support to fleet services.
- d. Building Inspectors will work 15-20 hours overtime weekly to aid in plan check review.
- e. Temporary administrative support assistance will be secured to add plan check process support.

- 8. The Ad Hoc committee provided the following input:
 - a. The City should evaluate the review process and the need to improve the time required to secure a building permit.
 - b. The goal for single family plan review time should be 30 working days and 90 working days for commercial/industrial. This time would be exclusive of anytime the plans are in the control of the architect/developer or if necessary information is not included with the plan review/permit application.
 - c. Deferred submittals of information necessary complete a review and issue a permit should not be allowed.
 - d. Reaffirmed Council's goal that the Building Division is fiscally neutral to the degree it serves the development community. An evaluation of total hours would support a 90/10 split (10% of total hours available is not directly attributable to development).
 - e. Staff was to develop a staffing plan to achieve the plan review goals and a fee schedule to cover the associated cost.
- 9. Permanent Plan Review Proposal:
 - a. Reclassify the existing Deputy Building Official to Chief Building Official.
 - b. Replace reclassified Deputy Building Official.
 - c. Reclassify current Administrative II individual to Administrative III position.
 - d. Hire an Administrative Assistant II to cover intake and Public counter needs.
 - e. Charge time to projects on a real/incurred time basis, and require advance deposit against estimated costs (see attached deposit schedule).
- 10. The proposal does not address inspection at this time. Should the modifications to the review process free up permit issuance, increased building activity could overwhelm inspection capability. Proposals to adjust will be developed in the future.

ANALYSIS &

CONCLUSION:

As is the case in the rest of the State, Paso Robles experienced a significant slowing in the construction industry during the recession reducing its building staff 53%. As a result there are inadequate resources to process building plan reviews consistent with the time frames desired by the construction industry.

POLICY

REFERENCE: Economic Strategy; Fiscal policy

FISCAL IMPACT:

- a. The current hourly rate (\$134) charged to offset staff cost and overhead has not been reviewed since 2005, but it has been updated annually based upon the CPI.
- b. The current hourly staff rate offsets approximately 65% of current staff and overhead cost.
- c. The long term changes being recommended would increase the annual operating cost of the building division approximately 16% to \$1,201,730.
- d. Because the Building Division also provides services not of direct benefit to the development community (see Health and Safety Code 17950-17959.5) such as code enforcement ADA and Disabled access, building nuisance, predevelopment or concept meetings, etc.), that portion of the Building Division (10% of the operating budget or approximately \$120,000 per year) budget allocated to these activities would need to be provided by the General Fund.
- e. One million one hundred thousand will need to be covered by development fees.
- f. The Building Division spends approximately 7500 total available staff hours serving development.
- g. To achieve the goals and ensure development related services are fiscally neutral as stated in Council Policy the hourly rate for service would need to be adjusted to \$147 per hour.

Total Building Dept. Cost \$1,100,000

Cost Divided by 6 Staff members \$183,333/staff

Allocated to annual hours worked \$183,333 / 1250 avg. hrs. per person = \$147

1100
1300
1500
1500
1400
700
7500

OPTIONS:

- a. Authorize proposed staff additions, reclassifications, hourly rate, and deposit schedule.
- b. Amend, modify, or reject the above option.

Attachment 1

Deposits

Resdential

All new residential \$5,500

Multi-family:

5500 x 1.75 Two Units \$9,625 5500 x 2 3 or More \$11,000

Commercial/Industrial New

Up to 10,000 \$7,000 10,001 to 50,000 \$15,000 50,000 to 100,000 \$35,000

Over 100,000 \$35000 + \$10,000 Additional for each additional 25,000sqft

Commercial/Industrial T.I's

Up to 1000sqft \$2,000 1000 sq ft to 5,000 \$5,000 5,000 to 10,000 \$6,000

10,001 to 50,000 \$6,000 plus \$2,000 for each additional 10,000sqft or portion thereof 50,000 plus \$15,000 plus \$2,500 for each additional 10,000sqft or portion thereof

Hotel/motel

Up to 10 \$10,000 10 to 50 units \$14,000 51 to 100 units \$20,000 101 to 150 units \$30,000

Over 150 units \$35,000 plus \$1,000 for each 10 additional units

RESOLUTION NO. 14-xxx

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES ACCEPTING BUILDING PLAN REVIEW OPTIONS

WHEREAS, the City Council established a goal of thirty (30) working days for residential plan review and ninety (90) working day for commercial/industrial plan review; and

WHEREAS, achieving this goal will require the reclassification of existing and the addition of staff to the Building Division;

- Reclassify existing Deputy Building Official to Building Official
- Replace the reclassified Deputy Building Official position
- Reclassify existing Administrative Assistant II to Administrative Assistant III
- Replace the reclassified Administrative II position; and

WHEREAS, City Council policy is to do so in a fiscally neutral manner; and

WHEREAS, to do so the Building Division will implement a 'cost per hour' system where the administrative (City) portion of plan review and all inspections required as a result of issuing ab building permit will be collected at an hourly rate of \$147.00 per hour.

THEREFORE, BE IT RESOLVED AS FOLLOWS:

<u>SECTION 1.</u> The City Council of the City of El Paso de Robles does hereby approve the staff reclassifications and replacements contained in this resolution.

<u>SECTION 2.</u> The City Council does hereby adopt a per hour rate of \$147.00 to be charge for actual time spent on the administrative (City) portion of plan review and all inspections provided by City in conjunction with the issuance of a building permit.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this5th day of August 2014 by the following vote:

AYES: NOES: ABSENT: ABSTAIN:	
ATTEST:	Duane Picanco, Mayor
Caryn Jackson, Deputy City Clerk	_