

REPORT TO COUNCIL City of Sacramento

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Staff Report
May 4, 2010

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

Title: Report Back on the Facility Permit Program (FPP)

Location/Council District: Citywide

Recommendation: Receive and File

Contact: David Kwong, Acting Director of Community Development, (916) 808-2691;
Carl Hefner, Interim Chief Building Official, (916) 808-8779; Steve Gorman, Chief
Building Inspector, (916) 808-8951

Presenters: Carl Hefner, Interim Chief Building Official

Department: Community Development

Division: Building

Organization No: 21001211

Description/Analysis

Issue: At the December 15, 2009, City Council meeting the interim FFP program was presented. The interim program was designed to bridge the gap between the suspended original version of the program and this newly retooled program. This new program is intended to take the place of the interim program. The new FFP program guide is attached to this report.

The FPP program is designed to offer a streamlined building permit process for certain types of commercial and industrial tenant improvement projects. The FPP utilizes a team approach to facilitate all of the work needed for a project. The same team of inspectors performs both the plan review and inspections on these niche projects. This innovative approach allows the inspection team to achieve a higher level of familiarity with a project and leads to a faster, more efficient service.

A team consisting of the City Attorney's Office (CAO), Fire Department, and Community Development Department reviewed the original program components. Included in the review were the building registration process, qualifying project criteria, fee assessments, collection methods and program checks and balances. Several program revisions resulted from this review.

An action plan was put in place to complete code and ordinance research, provide outreach and gain input from our industry stakeholders, and follow guidance from the City Attorney's Office. With assistance from the CAO all impediments to the new FPP within our City ordinances have been addressed in proposed amendments to the city code that are scheduled to be brought forward to the City Council for adoption this month.

The components of the revised program are set out in Attachment 1. Key changes are as follows:

1. The original program allowed individuals to start work with an oral or written "Authorization to Start Work". As required by city code the revised program requires a building permit be issued and fees paid before work is commenced.
2. The original program charged hourly for all services. The new program utilizes a hybrid approach i.e. charging a flat rate for larger projects and an hourly rate for smaller ones. The program fees will also include:
 - a. FPP Standard Hourly Rate - \$140/hour with an one hour minimum and prorated in ½ hour increments thereafter (e.g. \$70 per ½ hour)
 - b. FPP Annual Registration Fee - \$140 per building per year. The FPP Registration Fee is charged on a fiscal year basis and is not pro-rated for partial year registrations.
 - c. Minor Alterations & Improvements (less than \$250,000 valuation) - This work will be subject to an initial deposit of \$560 for the initial plan review and/or inspections, with additional time charged and billed at the FPP standard hourly rate. All plan review fees shall be collected prior to permit issuance.
 - d. Major Interior Tenant Improvements & Remodels (equal to and greater than \$250,000 valuation) - This work will be subject to standard plan review and building permit (inspection) fees based on the estimated value of the work to

be done, with an additional 50 percent expedited plan review fee. A phased permit fee will be charged when applicable. Fees are due and payable and will be collected at the time of application submittal. All Fire Department plan review and inspections will be billed at \$140 per hour. Fire plan review fees and a minimum \$280 for Fire inspection(s) will be collected at the time of permit issuance. All remaining Fire inspection fees will be assessed and paid prior to final Fire inspection. Should fees be required as a result of reviews outside of outlined FPP services, those fees shall be itemized and billed to the appropriate Project Reference Number.

Policy Considerations: The Facility Permit Program is consistent with the City's Strategic Plan goal to expand economic development throughout the city.

Environmental Considerations:

California Environmental Quality Act (CEQA):

The FPP program is an administrative activity and is not a "project" subject to the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378(b)(2)).

Sustainability Considerations: There is no sustainability considerations associated with this report.

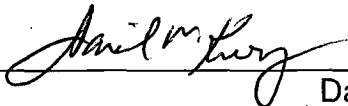
Commission/Committee Action: None

Rationale for Recommendation: The FPP is a streamlined program that supports the City's economic development objectives and serves the public. It is to the benefit of the City to continue the program, as revised, in compliance with all city codes.

Financial Considerations: There are no financial considerations associated with this report and there are no General Fund impacts.

Emerging Small Business Development (ESBD): No goods or services are being purchased under this report.

Respectfully Submitted by: 
Carl Hefner
Interim Chief Building Official

Approved by: 
David Kwong
Acting Director of Community Development

Recommendation Approved:


Gus Vina
Interim City Manager

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City of Sacramento – Building Division
Facility Permit Program (FPP)
May 5, 2010

Advantages of FPP over Regular Building Permit Submittal

1. Plan intake and permitting is streamlined (plan review in five days or less)
2. The same team of Building Division personnel conducts plan review and inspections for the project.
3. Applicant can call inspectors directly for inspections. Inspectors are familiar with project and can determine readiness for inspection.

Qualifying Project Criteria

1. Project comprised of only interior alterations to office (B occupancy), retail (M occupancy), warehouse (S occupancy), and assemblies less than 100 people.
2. Project does not involve change in building occupancy.
3. Project is “like for like”, with no fire/life safety systemic improvements needed.
4. Project does not require structural review that requires structural analysis and supporting documentation.
5. Proposed building use (land use) is consistent with zoning regulations.
6. Parking requirements are met.
7. Minor exterior changes are permitted if zoning requirements met (no plan review modification, special permit modification or other planning entitlement required).
8. County Health Department approval (if required for building use) must be obtained prior to building permit submittal.
9. Design professional takes responsibility for submittal of complete and accurate set of plans.

Fees

1. For Facility Permit Program, an additional 50% plan check fee and a phased permit fee is paid along with the regular plan check fee.
2. Fees are due and payable and will be collected at the time of application submittal (unless hourly charges apply).
3. Applicants are subject to re-inspection fees if inspectors are called out to the project site but work is not ready for inspection.
4. Fire plan review and inspections are billed at \$140 per hour.

Process

1. Staff determines that the project meets FPP criteria, project building permit application is submitted to the Building Division and all fees are paid.
2. Plans are reviewed (turn around is 5 working days or less per cycle)*

3. Plans are approved, all remaining building permit and other fees per city code are paid, and building permit issued. Work can commence.
4. Applicant calls designated inspector(s) to schedule inspection(s) when work is ready.
5. Permit finalized and building ready for occupancy.

*If, during plan review, it is discovered that plans need corrections, plan check comments will be given to design professional for corrections.

Comparison between Regular Building Permit Process and FPP

Item	Regular Building Permit	FPP
1 st cycle plan review	10 days	5 days
2 nd cycle plan review	10 days	5 days (if needed)
Inspection Lead Time	1 day building 1-3 days fire	1 day 1 day
Personnel	1. Plan review and building inspectors in different work group 2. Call automated inspection line for inspection	1. Team approach, same team of people does both plan review and inspections 2. Call inspector directly for inspection
Plan Check Fee	Standard Plan Check fee	Plan Check fee plus 50% for facilitated review (expedited permit fee)

PROGRAM GUIDE

FACILITY PERMIT PROGRAM

For

Commercial Buildings

May 4, 2010

City of Sacramento

Community Development Department

300 Richards Blvd.

Sacramento, CA 95811

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I. Description and Overview

The Facility Permit Program (FPP) has been developed for construction projects within commercial buildings:

- Minor & Major Interior Alterations, Tenant Improvements, & Remodels.

The FPP simplifies the standard permit and inspection process by:

- Assigning one Inspection Team for all of the Owner's buildings;
- Having the Inspection Team do the plan review;
- Having an Inspection Team that specializes in the building, plumbing/mechanical, electrical, and fire trades;
- Using expedited plan review and inspections;
- Having a Responsible Party, designated by the building Owner, who has primary responsibility to coordinate all permitted work;
- Providing process management for the requirements of other departments;
- Providing cost effective and accountable delivery of services;
- Having the FPP administered by the FPP Coordinator.

The FPP is available to Owners of commercial buildings. The program is best suited to serve Owners who have 'on-going' interior tenant improvements or frequent upgrades and renovations. Owners may designate an authorized agent, such as a management company or a tenant, to act on the Owner's behalf in discharging the Owner's duties and responsibilities under the FPP.

The success of the FPP is contingent on developing an ongoing working relationship between a participating building Owner and the assigned Inspection Team. Each Owner, therefore, is required to assign a person, designated as the Responsible Party, for each building, to act as liaison with its Inspection Team. Owners can expect an improved level of communication and service delivery tailored to the Owner's needs, including pre-design consultations, site meetings and process management assistance.

Each building in the FPP must be registered annually. Owners may register as many qualified buildings as they wish, contingent upon the FPP Coordinator's approval. To ensure consistency of requirements, all buildings owned by a single Owner will be assigned to the same Inspection Team regardless of the geographical location(s).

Once their buildings are registered in the FPP, Owners will be able to use the FPP for most of their tenant improvement needs. For purposes of

continuity and coordination of site activities within registered buildings, Owners shall use the FPP for expedited plan reviews, issuance of permits, and inspections for all qualifying improvement work within the buildings (including all building, mechanical, fire, electrical, and plumbing work). Improvement work that does not qualify for the FPP will go through the standard plan review (including Over the Counter Review if appropriate), permit issuance and inspection processes. An optional expedited Third Party Plan review program is available upon request.

II. Criteria and Qualifications

a. Qualifying Buildings

The FPP is available only for commercial buildings at this time.

b. Application / Building Registration

The FPP Coordinator will assist the Owner in answering any questions regarding application and registration of buildings into the FPP. Applicants to the FPP must be either the Owner of the building or the Owner's authorized agent. The Coordinator will also assist the Owner in completing the required application and registration forms supplied by the Department.

Please note that the work done under the FPP must be done by the Owner's employees or contractors who have the appropriate licenses and/or registrations. A full explanation of those requirements may be obtained from the FPP Coordinator.

The FPP Coordinator will accept applications and registrations into the FPP at any time of the year, but registrations must be renewed each July 1.

The applicant shall provide a list of buildings to be included in the building registration. The list shall include the address and name of each building.

c. Building Orientation

The purpose of the Building Orientation is to familiarize the Inspection Team with registered buildings and their conditions. A Building Orientation may be required prior to commencement of any work.

The Building Orientation will include a review of building floor plans, and any agreements between the City and the Owner. If the layout of the building is complex, it may be necessary to arrange a walk through for the Inspection Team to familiarize them with the layout.

d. Owner - Duties and Obligations

An Owner shall designate a Responsible Party who is either an employee or is under contract to provide these services:

- Ensure that all communications with the Department for work covered by the program is conducted through the Responsible Party;
- Ensure fees that are billed hourly are paid within 30 days of invoice.

e. Responsible Party – Duties and Obligations

The designated Responsible Party will represent the Owner in communications with the FPP Coordinator for a registered building. The Responsible Party may be either an employee of the Owner or an individual under contract with the Owner to provide services as the designated Responsible Party. The Responsible Party will be the primary contact between the Owner and the Inspection Team for a registered building.

In certain circumstances, there may be a need to have more than one Responsible Party for a registered building. In these cases this need shall be identified, and agreed upon by all parties, at the time of registration.

Among the duties and obligations of the Responsible Party are the following:

- Pre-review and communicate all planned work to the Inspection Team;
- Act as the primary contact with Inspection Team;
- Assure that all work installed complies with the guidelines outlined in this program guide;
- Maintain records, and verify the accuracy, of all plan submittals;
- Monitor the work and when necessary assist in resolving any project related communication issues with the Inspection Team;
- Ensure compliance with the requirements of other Departments;
- Ensure access to the building by the Inspection Team;
- Work to resolve any payment/billing issues between the City and the Owner.

f. Suspension and Termination

Any Owner that refuses or neglects to comply with the rules and the requirements of the FPP outlined in this program guide may be suspended or terminated from participation in the FPP by the Coordinator. All work deficiencies shall be corrected and made to comply with the requirements of the City Code and all applicable building codes.

g. Appeal of Suspension and Termination

The Owner may appeal a suspension or termination to the Director of the Community Development Department. The appeal must be made in writing within 15 calendar days of the suspension or termination.

III. Components (Exhibit #1)

a. Minor Alterations and Improvements

Minor alterations and improvements, depending on their complexity, may be approved within hours or days of submittal. For this type of work the Owner/Responsible Party may simply contact the inspection Team Lead for a review of the project scope. The Team Lead will advise the Owner/Responsible Party regarding plan review and permitting requirements. If the project plans are approved over-the-counter, a permit may be issued on the same day.

b. Major Interior Tenant Improvements & Remodels

Many interior tenant improvements may be performed under the FPP. To qualify, the improvement work must meet all of the following criteria at the time of building permit application:

- The improvement work is comprised solely of interior alterations or repairs or the erection, installation, enlargement, alteration, repair, removal, conversion, or replacement of any electrical, gas, mechanical, or plumbing system, with only minor exterior alterations, if any;
- The improvement work is a B (office), M (retail), or S (warehouse) occupancy, or an A (assembly) occupancy for less than 100 people, and does not involve a change in building occupancy creating a higher life and safety hazard;
- The improvement work does not require any fire/life safety systemic improvements;
- The improvement work does not require structural review that requires structural analysis and supporting documentation;
- The improvement work is consistent with the zoning on the project site, meets all parking requirements, and has obtained all required discretionary approvals under Title 17 of the Sacramento City Code.
- County Health Department approval, if required, has been obtained.
- All required plans have been prepared by a registered design professional.

Examples of work to which the FPP is best suited include, but are not limited to:

- Remodel or renovation of an existing tenant space;
- Creation of a new tenant space within the existing shell of a building;
- Accessibility retrofits;
- Alterations of exterior, non-bearing walls provided there is no expansion of

- usable floor space beyond the existing shell of the building;
- Changes in the use of an existing space, within an occupancy classification;
- Occupancy changes which do not create a higher life or fire safety hazard level;
- Additions or alterations of mechanical, plumbing, or electrical systems.

Though almost all interior work may be done under the program, some levels of work may be better suited to the 'standard' review process. Examples of this work might be full structural retrofits, seismic upgrades, or multi-floor tenant improvements. The Team Lead will work with the building Owner to identify these projects on a case-by-case basis.

As with all alteration and improvement projects the Owner should contact the Team Lead for a conceptual review of the scope of the work. Improvement work requires plan review and permit approval prior to the commencement of the work. Plan submittal for Major Improvements will require a minimum of four sets of plans and a partial set for a phased permit, if requested. Please contact the FPP Coordinator to submit plan sets.

As projects are developed and working drawings are being created, Owners may request consultations or pre-construction meetings with Team Inspectors. As individual projects are proposed the Inspection Team shall review and approve these projects prior to the beginning of work. Based on the complexity of the proposed work, approval may require formal plan review and may utilize a phased permit rather than a full permit prior to the commencement of work. Additionally, the Inspection Team may request specific review by other departments. It is the intent of the program to allow simple, informal interactions between the Inspection Team and the Responsible Party, assuring project specific levels of service.

*Note: Minor Alterations & Improvements shall be subject to Policy #CDD-0236 "Who May Prepare Plans."

IV. **Fees and Billing**

Current fees and fee amounts are specified in the attachment to the application packet. The fees related to the FPP are described below:

a. FPP Standard Hourly Rate

- \$140/hour with an one hour minimum and prorated in ½ hour increments thereafter (e.g. \$70 per ½ hour)

b. FPP Annual Registration Fee

- \$140 per building per year. The FPP Registration Fee is charged on a

fiscal year basis and is not pro-rated for partial year registrations.

- c. Minor Alterations & Improvements (less than \$250,000 valuation)
 - This work will be subject to an initial deposit of \$560 for the initial plan review and/or inspections, with additional time charged and billed at the FPP standard hourly rate. All plan review fees shall be collected prior to permit issuance.

- d. Major Interior Tenant Improvements & Remodels (equal to and greater than \$250,000 valuation)
 - This work will be subject to standard plan review and building permit (inspection) fees based on the estimated value of the work to be done, with an additional 50 percent expedited plan review fee. A phased permit fee will be charged when applicable. Fees are due and payable and will be collected at the time of application submittal. All Fire Department plan review and inspections will be billed at \$140 per hour. Fire plan review fees and a minimum \$280 for Fire inspection(s) will be collected at the time of permit issuance. All remaining Fire inspection fees will be assessed and paid prior to final Fire inspection. Should fees be required as a result of reviews outside of outlined FPP services, those fees shall be itemized and billed to the appropriate Project Reference Number.

- f. Billing Procedures
 - For all Minor Alterations and Improvements(less than \$250,000 valuation) fees shall be charged hourly and invoiced at the beginning of each month. All fees shall be paid within 30 days or a hold will be placed on the permitted work with no inspections or other work until the balance due is paid in full.

V. Evaluations and Annual Reporting

The program will be evaluated on an annual basis to verify success of full cost recovery and to assess potential program modifications resulting from stakeholder input. The program administrator will provide an annual financial report to the responsible manager or Director.

Wednesday, April 28, 2010

Facilities Permit Program Flow Chart - DRAFT

Tenant Improvements/Remodels (Major and Minor)

