



CITY OF SACRAMENTO

DEPARTMENT OF PLANNING AND DEVELOPMENT

1231 "I" Street

Sacramento, Ca. 95814

Administration

Room 300 449-5571

Building Inspections

Room 200 449-5716

Planning

Room 200 449-5604

October 15, 1985

Budget and Finance Committee
Sacramento, California

Honorable Members in Session:

SUBJECT: **WAIVER OF BUILDING PERMIT FEES FOR HOUSING
REHABILITATION PROGRAM PROJECTS**

SUMMARY

Attached is a report and resolution recommending that the Fee and Charge Report be amended to waive building permit fees for Housing Rehabilitation Program projects. Currently, these building inspection charges are paid twice; once from CDBG grant funds, and second from the homeowner in permit fees. This waiver would correct this practice.

RECOMMENDATION

It is recommended that the Budget and Finance Committee approve the attached report and resolution and forward it to the City Council for adoption.

Respectfully submitted,

Mac Mailes, Director
Planning and Development

Recommendation Approved:

Solon Wisham, Jr.
Assistant City Manager

November 6, 1985
All Districts

Attach/



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City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: WAIVER OF BUILDING PERMIT FEES FOR HOUSING REHABILITATION PROGRAM PROJECTS

SUMMARY

The Sacramento Housing and Redevelopment Agency (SHRA) provides the City with Community Development Block Grant (CDBG) funding to provide inspection support for its Housing Rehabilitation Program. The City also collects building permit fees for projects funded by this program. As a result, the City is collecting twice for the same service which violates HUD policy. It is recommended that the City waive building permit fees for these projects which will decrease City revenue yearly by \$15,000.

BACKGROUND

SHRA currently is administering the Housing Rehabilitation Program for low-income households. This program provides low interest loans to repair and improve their residences. To support this program SHRA is currently providing the City \$70,000 annually from the CDBG program. This funding is to provide coordination between SHRA and the City, technical assistance to the participants, and City inspections of the repairs and improvements.

At the same time the City is also collecting building permit fees to finance Housing Rehabilitation Program inspections. The owner must finance the building permit fee through the SHRA loan, which decreases SHRA's loan fund and increases loan payments to the owner. The City, in effect, is collecting twice for the same service; first from CDBG in grant funds, and secondly from the homeowner in permit fees. This practice is in violation of the Department of Housing and Urban Development's finance policy.

To be in compliance with HUD auditing policy the City must either waive the permit fees or reimburse the collected fees to the CDBG program. To take the extra cost burden off the homeowner and avoid the extra administrative work involved in reimbursing the CDBG program, it is recommended that the City waive building permit fees for Housing Rehabilitation Program projects.

The owner will still be required to obtain a building permit (at no cost), and pay other applicable fees and taxes which are not offset by CDBG funding. Also, if the owner begins construction prior to obtaining a building permit, they will be required to pay quadrupled fees as a penalty.

FINANCIAL INFORMATION

It is projected that the residential building permit fees associated with the Housing Rehabilitation Program averages \$15,000 a year. The waiving of these fees will result in an approximate \$8,000 reduction in revenue this fiscal year. This reduction is offset by unanticipated residential permit revenue generated by the housing construction "boom" experienced this fiscal year. As a result, no change is required in this year's operating budget.

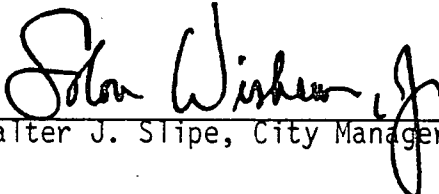
RECOMMENDATION

It is recommended that Council approve the attached resolution waiving construction permit fees for housing rehabilitation projects.

Respectfully submitted,

Mac Mailes, Director
Planning and Development

Recommendation Approved:

for: 
Walter J. Slupe, City Manager

Attach/

November 12, 1985
All Districts

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

RESOLUTION AMENDING CITY OF SACRAMENTO FEE AND CHARGE REPORT BY WAIVING RESIDENTIAL BUILDING PERMIT FEES FOR HOUSING REHABILITATION PROGRAM PROJECTS

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

That the City of Sacramento Fee and Charge Report, Page 62b, section I is amended as follows:

A. Housing Rehabilitation Program Projects

Construction projects identified by the Sacramento Housing and Redevelopment Agency as owner occupied, single family Housing Rehabilitation Program projects are exempt from building permit fees. If work commences prior to obtaining the required permits, all fees and penalties shall be chargeable to the project.

MAYOR

ATTEST:

CITY CLERK