




Office of the City Manager

PUBLIC HEARING
May 21, 2013

To: Honorable Mayor and Members of the City Council
From:  Christine Daniel, City Manager
Submitted by: Eric Angstadt, Director, Planning and Development
Subject: Fees: Development-Related Services Provided by Planning and Development

RECOMMENDATION

Conduct a public hearing and upon conclusion, adopt a Resolution approving new fees for development-related services provided by the Planning and Development Department, and rescinding Resolution No. 65,721-N.S.

FISCAL IMPACTS OF RECOMMENDATION

The recommendations in this report will likely result in a minor increase in revenue for the Permit Service Center (PSC) Fund 833, however, the amount cannot be determined at this time. The status of the PSC fund based on FY 2014 & FY 2015 Proposed Biennial Budget is as follows:

Projected Beginning Fund Balance, 7/01/13	<u>\$2,529,093</u>
ADD: FY 2014 Proposed Revenue budget	\$8,733,928
LESS: FY 2014 Proposed Expenditure budget	<u>(8,955,309)</u>
Operating Surplus/(Shortfall)	<u>(\$221,383)</u>
Projected Fund Balance, 6/30/14	<u><u>\$2,307,712</u></u>

Without the added hourly fee to cover a State-mandated Building and Safety service, the operating shortfall for FY 2014 will increase.

CURRENT SITUATION AND ITS EFFECTS

Building and Safety: Effective January 1, 2014, California Senate Bill No.1608 requires every local agency to employ or retain a sufficient number of building inspectors who are Certified Access Specialists (CASp). The legislation applies to all building department personnel responsible for plans examination and field inspections, but not less than 50% of CASp certified personnel must be ICC certified building inspectors.

The State-mandated Certified Access Specialist (CASp) certification requires extensive training, studying and testing. The specialized nature of the certification and the goal of

the CASp program make it challenging to comply. The state wants experts on the subject not just someone who knows where to obtain the information. The preparation and the certification process are more extensive than ICC certifications.

The following costs are associated with complying with the state mandate.

- 1) Initial Certification Costs are as follows:
 - \$500 Candidate Eligibility Application Fee
 - \$800 Candidate Certification Examination Fee
 - \$300 Certification Fee
 - \$800 Retest Fee (if the candidate does not pass the first time, a waiting period of 3 months is required)
- 2) Recertification Costs are as follows:
 - \$200 Verification of 15 Continuing Education Units (every 3 years)
 - \$300 Certification Renewal Fee (every 3 years)

Estimated initial certification cost for nine (9) employees at \$2,400 each will amount to \$21,600. This proposed hourly fee is to be charged upon receipt of a request for CASp inspection and certification, such as, transfer of title, complaints, threat of litigation, new business, etc. using the same hourly rate justified the year it was adopted on June 1, 2010, see Council Report - http://www.ci.berkeley.ca.us/uploadedFiles/Clerk/Level_3_-_City_Council/2010/05May/2010-05-18_Item_31_Fee_Increase_Development-related_services_provided_by_Planning_and_Development.pdf.

Engineering: The current Engineering fee schedule only allows for a two-person crew for field surveys. However, depending on the complexity of the project, some tasks may call for a three-person crew and if it's simple enough, one person may be dispatched to do the job. Adding the two rates (below) in Field Survey with the same hourly rate will allow flexibility and more accurate cost estimating projects.

CURRENT FEE		PROPOSED CHANGE	
Two-person crew	\$153 per hour/person (4 hours minimum)	One-person crew	\$153 per hour/person (4 hours minimum)
		Two-person crew	\$153 per hour/person (4 hours minimum)
		Three-person crew	\$153 per hour/person (4 hours minimum)

BACKGROUND

The Permit Service Center (PSC) Fund is an enterprise fund established to be self-supporting for the permitting functions (building permit-related and Land Use Planning entitlements). When the fund was established in 1997, the City Council provided over \$1.5M in General Fund subsidy rather than raise Land Use Planning fees to the level that would have been necessary to cover the cost of providing service. However, that subsidy was reduced over the years and totally eliminated in FY 2005 when, as a result of robust construction, the PSC fund was able to build a healthy fund balance.

As shown below, for the last four fiscal years PSC Fund has been operating with an annual deficit drawing down on its fund balance. Although recent FY 2013 projections indicate a likely surplus, a reduction in fund balance is projected in FY 2014.

Particulars	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Actual	FY13 Projected
Beginning Fund Balance	\$4,477,191	\$5,252,081	\$4,634,437	\$2,973,038	\$2,143,355	\$2,063,123
Add: Revenues	10,506,313	9,362,288	7,179,939	7,748,953	8,223,050	9,306,182
Less: Expenditures	9,731,423	9,979,932	8,841,338	8,578,636	8,303,282	8,840,212
Annual Surplus/Shortfall	774,890	(617,644)	(1,661,399)	(829,683)	(80,232)	465,970
Ending fund balance	\$5,252,081	\$4,634,437	\$2,973,038	\$2,143,355	\$2,063,123	\$2,529,093

RATIONALE FOR RECOMMENDATION

Building and Safety: The State mandated Certified Access Specialist (CASp) certification required of Plan Check Engineers and Building Inspectors will result in increased expenditure of at least \$21,600. The proposed hourly fee will help offset this increased expenditure in FY 2014.

Engineering: The proposed change will not result in increased revenue, but simply to allow flexibility based on complexity of the project.

ALTERNATIVE ACTIONS CONSIDERED

None.

CONTACT PERSON

Wendy Cosin, Deputy Director, Planning and Development Department (510) 981-7404
 Perla Tiong, Senior Management Analyst, Planning and Development, (510) 981-7462

Attachments:

1. Current versus Proposed Fees by Program Area
2. Resolution
 Exhibit A: Fee Schedule, FY2014
3. Notice of Public Hearing

PLANNING AND DEVELOPMENT
Current (FY2013) versus Proposed (FY2014)
By Program Area

Program Area	Current Fee	Proposed New Fee	
		Fee Description	Amount
Chapter A - Building Safety	None	Certified Access Specialist (CASP)	\$170 per hour
Chapter B - Land Use Planning		No change	
Chapter C - Toxics Management		No change	
Chapter D - Engineering	None	Field Survey: One-person party	\$153 per hour/person (4 hours minimum)
	None	Field Survey: Three-person party	\$153 per hour/person (4 hours minimum)
Chapter E - Traffic Engineering		No change	

RESOLUTION NO. –N.S.

FEEES: DEVELOPMENT RELATED SERVICES PROVIDED BY THE PLANNING AND
DEVELOPMENT DEPARTMENT

WHEREAS, on May 15, 2012, Resolution No. 65,721-N.S. established fees for development-related services provided by the Planning and Development Department; and

WHEREAS, new fees are proposed to cover cost of providing a State-mandated service and allow flexibility and accurate cost in estimating projects; and

WHEREAS, the Council of the City of Berkeley held a public hearing on May 21, 2013 to review the proposed changes to the fee schedule, attached hereto as Exhibit A to this resolution.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that fees for all development-related services provided by the Planning and Development Department shall be set forth in Exhibit A, attached hereto and incorporated herein, with an effective date of July 1, 2013.

BE IT FURTHER RESOLVED that Resolution No. 65,721-N.S. and all amendatory resolutions hereby rescinded effective July 1, 2013.

Exhibits:

A: Fee Schedule

**NOTICE OF PUBLIC HEARING
BERKELEY CITY COUNCIL**

**FEES: DEVELOPMENT-RELATED SERVICES PROVIDED BY
PLANNING AND DEVELOPMENT**

Notice is hereby given by the City Council of the City of Berkeley that a public hearing will be conducted at which time and place all persons may attend and be heard upon the following:

The Department of Planning and Development is proposing changes to fee schedule:

- Building and Safety: Add a \$153 per hour charge for inspections provided by a State-mandated in-house Certified Access Specialist (CASp) Inspector.
- Engineering: Change Field survey to allow flexibility depending on project.

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The hearing will be held on May 21, 2013 at 7:00 p.m. in the City Council Chambers, 2134 Martin Luther King, Jr. Way.

For further information, please contact Perla Tiong at 510-981-7462.

A copy of the agenda material for this hearing will be available on the City's website at www.CityofBerkeley.info as of **May 9, 2013**.

Written comments should be mailed or delivered directly to the City Clerk, 2180 Milvia Street, Berkeley, CA 94704, in order to ensure delivery to all Councilmembers and inclusion in the agenda packet. Comments received no later than Monday, May 6, 2013 will be included in Council agenda packets. Communications received after that date, up to 5:00 p.m. on Tuesday, May 14, 2013 will be distributed to Council in a supplemental packet five days before the meeting. Communications received less than seven days before the Council meeting but prior to noon on the day of the meeting, will be distributed at the Council meeting. Comments received thereafter will be submitted to Council as supplemental communications at the meeting. For further information, call Mark Numainville, CMC, City Clerk, 981-6900. FAX: (510) 981-6901. TDD: (510) 981-6903.

If you challenge the above in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City of Berkeley at, or prior to, the public hearing. Background information concerning this proposal will be available at the City Clerk Department and posted on the City of Berkeley webpage at least 12 days prior to the public hearing.

Published: 1st Publication – Friday, May 10, 2013
2nd Publication – Friday, May 17, 2013

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I hereby certify that the Notice for this Public Hearing of the Berkeley City Council was posted at the display case located near the walkway in front of Council Chambers, 2134 Martin Luther King Jr. Way, as well as on the City's website, on May 9, 2013.

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Mark Numainville, CMC, City Clerk

**COMMUNICATION ACCESS INFORMATION:**

To request a disability-related accommodation(s) to participate in the meeting, including auxiliary aids or services, please contact the Disability Services specialist at 981-6346(V) or 981-7075 (TDD) at least three business days before the meeting date. Captioning services are provided at the meeting, on B-TV, and on the Internet. In addition, assisted listening devices for the hearing impaired are available from the City Clerk prior to the meeting, and are to be returned before the end of the meeting.



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