



## **Single Family Residential Permit Fees, Permit Process Changes, and Fund Restructuring**

City of Tacoma | Planning and Development Services

**City Council Study Session  
April 3rd, 2018  
ITEM # 3**



## **AGENDA**



- Permit System Overview
- Code Changes
  - Performance Bonds
  - Right-of-Way Occupancy Permits (ROPs)
  - Dedicated Funds Restructuring & Reserve Fund Creation
  - New Fee Schedule & New Single Family Fees
- Financial Policies
- Residential Fees Overview & Stakeholder Outreach
- Next Steps

## BACKGROUND & PURPOSE



- No comprehensive fee study/update for 20 years (1997)
- Committed to establishing efficiencies within organization
- PDS Proposes:
  - Reduce Barriers to Development within City
  - Streamline Permitting Processes
  - Full Cost Recovery

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## OVERVIEW & OUTREACH



- 2010 – Created Enterprise Fund
- 2014 – New PDS Department/ Organizational Changes
- 2015 – Fee Study, Process Improvements
- 2016 – Accela Implementation
- 2017 – Stakeholder Engagement
  - MBA, Business Owners, Residents, Visitors, City Staff



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## PERFORMANCE BONDS



- **Subject to Director's Discretion**
- Bonding amount may be reduced to 30% with good construction history (minimum \$15k)
- Applies to Bonds only

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## BOND- RELATED PENTALTY



- Non performance :
  - 5 Year increased bonding requirement at 150% value determined by City
  - No longer qualifies for future bond reductions
- Working without a permit :
  - Double fee (\$200 minimum)
  - Bonding requirements at 100% value determined by City

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## ● ● ● RIGHT-OF-WAY OCCUPANCY PERMITS (ROCCO)



- **City Code Chapter 9.08**

- Remove requirement to obtain ROW Occupancy Permit for “de minimus” development in ROW adjacent to single family development. Includes:
  - Fences less than 7 feet in height; at-grade stairs; retaining walls less than 4 feet; and garden areas.
  - All development must meet PW Design Manual.

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## ● ● ● RIGHT-OF-WAY OCCUPANCY PERMITS (ROCCO)



- **City Code Chapter 9.08**

- When a Right-of-Way Occupancy Permit is required adjacent to residential development, review with associated development permit to reduce process.
- Do not require that nonconforming development to obtain a Right-of-Way Occupancy Permit.

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## ●●● RIGHT-OF-WAY OCCUPANCY PERMITS (ROCC)



- **City Code Chapter 9.08**
  - Subject to Director's Discretion
  - Remove requirement for ROCC for Development:
    - That provides a public benefit and/or
    - Required by city code
  - Move towards financial sustainability by increasing permit fee from \$320.00 to \$640.00.

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## ●●● PERMIT SERVICES FUND



### **Financial Sustainability**

- Residential Permits
  - Permits do not cover the existing cost of service
  - Residential site development permits do not cover cost of service
- Commercial Permits
  - Permit costs are sufficient to cover Planning and Development Services Costs; however, further study needed to review Public Works, Fire, and other related costs
  - Commercial site development permit services are not fully covered by the permit fee
- Land Use Permits
  - Permits revenues do not fully cover the costs associated with issuing permit

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## FINANCIAL POLICIES



- Financial Principles
- Expenditure Controls
- Cost Recovery and Revenues
- Fee Adjustments and Service Levels
- Management of Dedicated Funds
  - Reserve Fund Policies
- Performance Monitoring

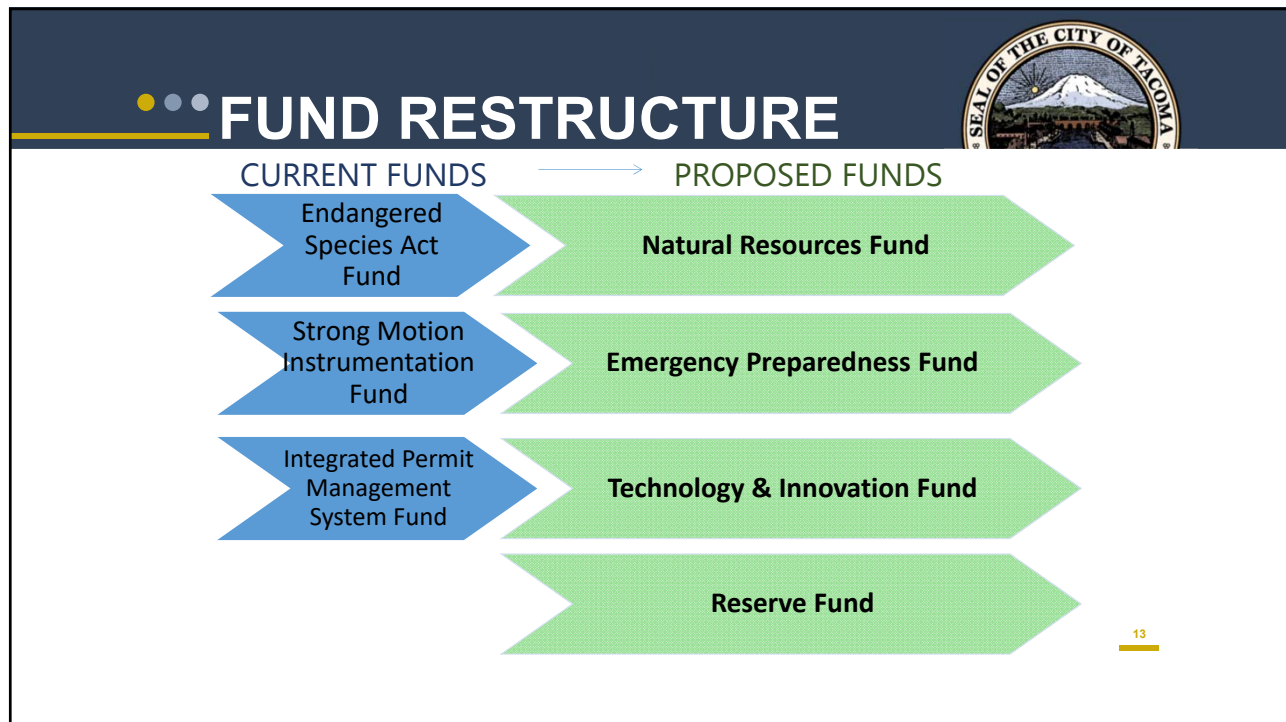
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## FEE CODE CHANGES



- TMC 2.09 Revisions
  - New Fee Schedule
  - Restructure Dedicated Funds
  - Creation of Reserve Fund
- PDS Fee Schedule
- New Single-family Fees
- Minor Revisions TMC 3.09, TMC 2.19

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**SINGLE FAMILY FEES – Phase I & II**

- New Single Family House – Valuation based
- Building Permit = Phase I: Project Valuation \* 1.11%
  - Building Review is 45% of Building Permit
  - Site Review is 45% of Building Permit
  - Site Permit is 65% of Building Permit
- Phase II: Project Valuation \* approx. 1.31%
  - Dependent upon Performance Agreements with MBA

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## NEW SINGLE FAMILY FEES



- Phase I: Valuation \* 1.11%
- Phase II: Valuation \* approx. 1.31%

Residential - New Building		SFR @ 2000 SQ FT		
	Fee	Current	Phase I	Phase II
Minimum Counter Fee		\$81	\$138	\$195
New Permit Fee Multiplier			1.11%	1.31%
New Building Permit Fee (includes Plumbing and Mechanical)		\$3,299	\$2,352	\$2,776
Building Plan Review Fee	45%	\$302	\$1,059	\$1,249
Site Plan Review Fee	45%	\$0	\$1,059	\$1,249
Site Development Permit Fee	65%	\$1,890	\$1,529	\$1,805
Total		\$5,491	\$5,998	\$7,079

\*\*\*Land Use Permit Fees Not Included

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## COMPARISON — NEW HOME DEVELOPMENT



Includes Permits: Building, Site Development, Driveway, Water Connection (from house to main only), Sewer Connection, Storm Connection, Impact Fees (when applicable)

Square Footage & Valuation of Project						Current Tacoma Fees	Proposed Tacoma Fees Phase I	Proposed Tacoma Fees Phase II	Lakewood Fees	Gig Harbor Fees	Kitsap County Fees	Olympia Fees	Vancouver Fees	King County	Pierce County Fees	Puyallup
Living Area	Attached Garage	Total SQFT	Valuation for Living Area	Valuation for Attached Garage	Total Calculated Valuation	Total Current Fees	Total Proposed SFR Fees	Total Proposed SFR Fees								
1200	300	1500	139,380	14,468	153,848	\$4,741	\$4,355	\$5,139	\$8,848	\$29,298	\$9,994	\$33,280	\$17,353	\$19,051	\$19,838	\$19,467
1475	300	1775	171,321	14,468	185,789	\$5,060	\$5,259	\$6,206	\$9,223	\$29,728	\$10,544	\$33,684	\$18,182	\$19,339	\$19,870	\$19,756
1600	300	1900	185,840	14,468	200,308	\$5,206	\$5,670	\$6,691	\$9,393	\$29,936	\$10,794	\$33,866	\$18,559	\$19,471	\$20,392	\$19,927
1900	300	2200	220,685	14,468	235,153	\$5,554	\$6,656	\$7,855	\$9,801	\$30,411	\$11,394	\$34,309	\$19,464	\$19,786	\$20,505	\$20,243
2000	300	2300	232,300	14,468	246,768	\$5,839	\$6,985	\$8,243	\$9,938	\$30,574	\$11,594	\$34,465	\$19,766	\$19,891	\$20,566	\$20,348
2200	300	2500	319,413	14,468	333,880	\$6,710	\$9,450	\$11,153	\$10,210	\$30,886	\$11,994	\$35,382	\$20,369	\$20,101	\$20,936	\$20,599
2400	300	2700	348,450	14,468	362,918	\$7,001	\$10,272	\$12,123	\$10,482	\$31,213	\$12,395	\$35,415	\$20,972	\$20,311	\$21,368	\$20,809
2500	400	2900	362,969	19,290	382,259	\$7,194	\$10,820	\$12,769	\$10,673	\$31,421	\$12,674	\$35,520	\$21,393	\$20,521	\$21,491	\$20,956

Excludes: Service Utility Connections, New Water and Power Service Installation and Permit Charges from TPU

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## SINGLE FAMILY FEES – Phase I & II

- Alterations & Additions – Valuation based
  - Phase I: Project Valuation \* 2.81%
    - Building Review is 45% of Building Permit
  - Phase II: Project Valuation \* approx. 3.31%
    - Dependent upon Performance Agreements with MBA
- Stand Alone Trade Permits
  - Phase I: Project Valuation \* 2.81%
    - Building Review is 45% of Building Permit

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## NEW SINGLE FAMILY FEES - Examples

Residential - Additions and Alteration (2018 CPI Updated 1/29/18)		Remodel @ \$20k			Remodel @ \$30k			Addition @ \$30k		
	Fee	Current	Phase I	Phase II	Current	Phase I	Phase II	Current	Phase I	Phase II
Minimum Counter Fee		\$81	\$138	\$194	\$81	\$138	\$194	\$81	\$138	\$194
New Permit Fee Multiplier			2.81%	3.31%		2.81%	3.31%		2.81%	3.31%
Building Permit Fee (Includes Plumbing and Mechanical)		\$551	\$562	\$662	\$754	\$843	\$993	\$754	\$843	\$993
Building Plan Review Fee	45%	\$116	\$253	\$298	\$166	\$379.35	\$447	\$166	\$379	\$447
Site Plan Review Fee (Additions Only)	45%	n/a	n/a	n/a	\$0	n/a	n/a	\$0	\$379	\$447
Site Development Permit Fee (Additions Only)	65%	n/a	n/a	n/a	\$0	n/a	n/a	\$0	\$548	\$645.45
Total		\$667	\$815	\$960	\$920	\$1,222	\$1,440	\$920	\$2,150	\$2,532

Standalone* Mechanical and Plumbing (2018 CPI Updated 1/29/18)		Plumb or Mech @ \$500			Plumb or Mech @ \$15,000		
	Fee	Current	Phase I	Phase II	Current	Phase I	Phase II
New Permit Fee Multiplier			Min Fee	Min Fee		2.81%	3.31%
Plumbing Permit Fee		\$110	\$138	\$194	# of Fixtures	\$422	\$497
Mechanical Permit Fee		\$126**	\$138	\$194	\$126**	\$422	\$497

\*Standalone Permits are not associated with a new building or alteration permit

\*\*Additional \$110 if gas unit

\*\*\*Land Use Permit Fees Not Included

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## SINGLE FAMILY FEES – LOS



### Agreement with MBA

Permit Type	First Review	Add'l Reviews	Percent Required
	in Days	in Days	to Meet LOS
New Single Family	24	20	80%
Residential Addition/Remodel	16	14	80%
Residential Demo	14	14	80%
Residential Plumbing	6	6	80%
Residential Mechanical	6	6	80%

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## SCHEDULE



- Process Improvement Ordinances:
  - April 3, 2018 – Initial City Council Consideration
  - April 10, 2018 – 2<sup>nd</sup> Presentation to Council
  - Effective Date – 10 days after 2<sup>nd</sup> ordinance reading
- Ordinances 2.09, 2.19, 3.09, Financial Policy and Fee Schedule Resolutions:
  - April 3, 2018 – Fee Ordinances Initial City Council Consideration and Financial Policy Resolution
  - April 10, 2018 – 2<sup>nd</sup> Presentation to Council on Fee Ordinances and Fee Schedule Resolution
  - Effective Date – June 1, 2018

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## SCHEDULE – Next Steps



- Commercial & Residential Permit Taskforce (Spring and Summer)
- Process Improvements and Level of Service Evaluation (Fall)
- Commercial Permit Fee (Fall)
- Land Use and Intake Fee (Fall)
- Public Works Related Permitting Costs and Fees (Fall)

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